

SUPPLEMENT DATED 14 DECEMBER 2012 TO THE MACQUARIE SECURITIES SOUTH AFRICA PROPRIETARY LIMITED ZAR5,000,000,000 DEBT INSTRUMENT PROGRAMME MEMORANDUM

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

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, as amended and restated on 17 May 2012 and further amended by a supplement on 25 June 2012 (the **Programme Memorandum**).

The Issuer wishes to issue preference shares (the **"C" Preference Shares**) under the Programme on the terms and conditions set out in the section of this supplement (the **Supplement**) headed *"Terms and Conditions of the "C" Preference Shares"* (the **"C" Preference Share Terms and Conditions**). This Supplement will apply to all "C" Preference Shares issued under the Programme on or after 14 December 2012 (the **Supplement Date**) and will in respect of the "C" Preference Shares, supplement the Programme Memorandum.

This Supplement is supplemental to, and should be read in conjunction with the Programme Memorandum in respect of all "C" Preference Shares issued under the Programme after the Supplement Date. This Supplement is deemed to be incorporated in, and to form part of, the Programme Memorandum.

Where any term is defined within the context of a particular clause or section in the Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Supplement, unless the context otherwise requires. Expressions defined in the Programme Memorandum shall bear the same meaning in supplements to the Programme Memorandum, which do not themselves contain their own definition and in this Supplement.

In the event of any conflict between the provisions or definitions of the Programme Memorandum and the provisions or definitions of this Supplement, the provisions or definitions, as the case may be, of this Supplement shall prevail. All references to the Programme Memorandum shall mean the Programme Memorandum as supplemented by this Supplement.

As at the Supplement Date, the Programme Amount is ZAR5,000,000,000. The Programme Memorandum as read together with this Supplement will only apply to Notes in issue under the Programme in an aggregate Outstanding Nominal Amount and "C" Preference Shares in issue under the Programme in an aggregate Outstanding Redemption Amount which in aggregate do not exceed ZAR5,000,000,000 unless such amount is increased by the Issuer, as set out in the section of the Programme Memorandum headed *"General Description of the Programme"*.

Macquarie Group Limited (the **Guarantor**) has, in terms of and subject to the guarantee deed poll, dated 14 December 2012, irrevocably and unconditionally guaranteed to the "C" Preference Shareholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the "C" Preference Shares (the **"C" Preference Share Guarantee**).

A Tranche of "C" Preference Shares may comprise, without limitation, Fixed Rate "C" Preference Shares, Floating Rate "C" Preference Shares, Equity Linked "C" Preference Shares and/or such other type of "C" Preference Shares as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing.

"C" Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of "C" Preference Shares. A Tranche of "C" Preference Shares will be issued on, and subject to, the "C" Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of "C" Preference Shares set out in the Applicable Pricing Supplement relating to that Tranche of "C" Preference Shares. References in the "C" Preference Share Terms and Conditions to a "*Tranche of "C" Preference Shares*" and "*"C" Preference Shares*" are to the type of "C" Preference Shares specified in the relevant Applicable Pricing Supplement. For the avoidance of doubt, where certain of the "C" Preference Share Terms and Conditions are expressed to apply only to a certain Class of "C" Preference Shares, such "C" Preference Share Terms and Conditions shall only apply to that Class of "C" Preference Shares, as specified in the relevant Applicable Pricing Supplement, and shall not apply to any other Class of "C" Preference Shares.

This Supplement was approved by the JSE on 14 December 2012. A Tranche of Registered "C" Preference Shares may be listed on the Main Board of the JSE. Unlisted "C" Preference Shares may also be issued under the Programme. Unlisted "C" Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of "C" Preference Shares will be listed. A copy of the signed Applicable Pricing Supplement relating to a Tranche of Registered "C" Preference Shares which is to be listed on the Main Board of the JSE will be delivered to the JSE and the CSD, before the Issue Date, and the "C" Preference Shares 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 Main Board of the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD. The holders of "C" Preference Shares that are not listed on the Main Board of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund. Claims against the JSE Guarantee Fund may only be made in respect of the trading of "C" Preference Shares listed on the Main Board of the JSE and in accordance with the rules of the JSE Guarantee Fund.

The "C" Preference Shares 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 "C" Preference Shares or for the Programme.

A Tranche of "C" Preference Shares may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of "C" Preference Shares may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of "C" Preference Shares, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).

INVESTING IN THE "C" PREFERENCE SHARES INVOLVES CERTAIN RISKS AND INVESTORS SHOULD FULLY UNDERSTAND THESE RISKS BEFORE INVESTING IN THE "C" PREFERENCE SHARES (SEE THE SECTION OF THIS SUPPLEMENT HEADED "RISK FACTORS").

IMPORTANT NOTICE

The Issuer accepts full responsibility for the accuracy of the information contained in the Supplement, each Applicable Pricing Supplement and each other supplement to the 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 Supplement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Supplement contains or incorporates 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 Supplement contains or incorporates by reference (see the section of this Supplement headed "*Documents Incorporated by Reference*") all information which is material in the context of the issuing and the offering of "C" Preference Shares, that the information contained in (or incorporated by reference into) Programme Memorandum read together with this Supplement as at the Supplement Date is not misleading and that the opinions and the intentions expressed in this Supplement are honestly held.

The Guarantor is responsible for the information in respect of the Guarantor contained in the section of this Supplement headed "*Terms and Conditions of the 'C' Preference Share Guarantee*". 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 the section of this Supplement headed "*Terms and Conditions of the 'C' Preference Share Guarantee*" 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) the Supplement, 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 Supplement 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 the Programme Memorandum read together with this Supplement. The admission of any Tranche of Registered "C" Preference Shares to the list of Debt Securities maintained by the JSE and the listing of such Registered "C" Preference Shares on the Main Board of the JSE is not to be taken as an indication of the merits of the Issuer, the Guarantor or the "C" Preference Shares. The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum nor this Supplement nor any Applicable Pricing Supplement nor any information incorporated by reference into the Programme Memorandum and/or this Supplement, and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Supplement or any Applicable Pricing Supplement, or any information incorporated by reference into this Supplement. The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, this Supplement or any Applicable Pricing Supplement or any information incorporated by reference into this Supplement. 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 Supplement must be read in conjunction with all documents which are incorporated by reference herein (see the section of this Supplement headed "*Documents Incorporated by Reference*"), and this Supplement must be read and construed on the basis that such documents are incorporated by reference into and form part of this Supplement.

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

information contained in (or incorporated by reference into) this Supplement 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 Supplement. 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 Sponsor, the Dealers or their respective affiliates and advisers. Neither the delivery of this Supplement nor any offer, sale, allotment or solicitation made in connection with the offering of the "C" Preference Shares 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 Supplement Date or that the information contained in or incorporated by reference into this Supplement after the Supplement Date is correct at any time subsequent to the date of the document containing such information.

None of the Supplement nor any other information supplied in connection with the Programme and/or the "C" Preference Shares 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 Sponsor or the Dealers that any recipient of this Supplement or any other information supplied in connection with the Programme and/or the "C" Preference Shares, should purchase any "C" Preference Shares. Each person contemplating making an investment in the "C" Preference Shares 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 Supplement headed "*Risk Factors relating to the 'C' Preference Shares*") 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 Sponsor 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 "C" Preference Shares of any information coming to the attention of the JSE, the Issuer, the Guarantor, the Debt Sponsor or the Dealers.

None of this Supplement nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme and/or the "C" Preference Shares constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or the Debt Sponsor or the Dealers to any person to subscribe for or purchase or otherwise deal in any "C" Preference Shares.

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

In particular, there are restrictions on the distribution of this Supplement and/or any Applicable Pricing Supplement and the offer or sale or subscription of "C" Preference Shares 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 Sponsor, the Dealers or their respective professional advisors represent that this Supplement and/or any Applicable Pricing Supplement may be lawfully distributed, or that any "C" Preference Shares 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 Supplement by the JSE, no action has been taken by the Issuer, the Guarantor, the Debt Sponsors, the Dealers or their respective professional advisors which would permit a public offering of any "C" Preference Shares or a distribution of this Supplement and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required. No "C" Preference Shares may be offered or sold, directly or indirectly, and neither the Supplement nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the "C" Preference Shares may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither the Supplement nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of "C" Preference Shares 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 "C" Preference Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

The "C" Preference Shares have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). The "C" Preference Shares 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 Supplement and/or any Applicable Pricing Supplement comes are required by the Issuer, the Guarantor, the Debt Sponsor, 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 "C" Preference Shares or have in their possession or distribute this Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any "C" Preference Shares 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 Sponsor or the Dealers shall have responsibility therefor. In accordance with the above, any "C" Preference Shares 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 Supplement or any further prospectus or corresponding document relating to the "C" Preference Shares in such country or jurisdiction.

Other than Macquarie Bank Limited (ABN 46 008 583 542) (**MBL**), no Macquarie Group entity referred to in this Supplement 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 "C" Preference Shares 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 "C" Preference Shares, 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 "C" Preference Shares in the same Class as that Tranche of "C" Preference Shares 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 "C" Preference Shares 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.

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AMENDMENTS TO THE PROGRAMME MEMORANDUM

The Programme Memorandum is amended and supplemented on the basis set out in this Supplement for purposes of the issuance of "C" Preference Shares by the Issuer from time to time under the Programme.

This Supplement is supplemental to, and should be read in conjunction with the Programme Memorandum in respect of all "C" Preference Shares issued under the Programme after the Supplement Date.

DOCUMENTS INCORPORATED BY REFERENCE

In addition to the documents incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*"), the following documents are deemed to be incorporated by reference into, and to form part of, the Programme Memorandum:

- a) the "C" Preference Share Guarantee; and
- b) each Applicable Pricing Supplement.

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

The Programme Memorandum and this Supplement are available for inspection, upon request, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor (who will hold the Programme Memorandum and this Supplement on behalf of the Issuer). The Programme Memorandum, this Supplement and each other supplement to the 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>. The Programme Memorandum, this Supplement, each supplement to the 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.

Website and Internet addresses in the Programme Memorandum read together with this Supplement 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, the Programme Memorandum and/or this Supplement.

The Issuer will, for so long as any "C" Preference Share remains outstanding and listed on the Main Board of the JSE, publish a new Programme Memorandum or a supplement to the 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 the Programme Memorandum read together with this Supplement 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 the Programme Memorandum (see above) read together with this Supplement, 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 the 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 IN RESPECT OF THE "C" PREFERENCE SHARES

A general description of the Programme in respect of the "C" Preference Shares 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 Supplement (including the section of this Supplement headed "Risk Factors relating to the "C" Preference Shares" and all documents which are incorporated by reference into the Programme Memorandum) and, in relation to a Tranche of "C" Preference Shares, 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 "C" Preference Shares under the Programme, pursuant to the Programme Memorandum read together with this Supplement, provided that the aggregate Outstanding Nominal Amount of all of the Notes and the Outstanding Redemption Amount of all "C" Preference Shares issued under the Programme from time to time does not exceed the Programme Amount.

A Tranche of "C" Preference Shares may comprise, without limitation, Fixed Rate "C" Preference Shares, Floating Rate "C" Preference Shares, Equity Linked "C" Preference Shares and/or such other type of "C" Preference Shares as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

Listing

A Tranche of Registered "C" Preference Shares may be listed on the Main Board of the JSE. Unlisted "C" Preference Shares may also be issued under the Programme. Unlisted "C" Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of "C" Preference Shares will be listed.

The holders of "C" Preference Shares that are not listed on the Main Board of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund. Claims against the JSE Guarantee Fund may only be made in respect of the trading of "C" Preference Shares listed on the Main Board of the JSE and in accordance with the rules of the JSE Guarantee Fund.

Programme Amount

As at the Supplement Date, the Programme Amount is ZAR5,000,000,000. The Programme Memorandum will only apply to the aggregate of Notes in issue under the Programme in an aggregate Outstanding Nominal Amount and "C" Preference Shares in issue under the Programme in an aggregate Outstanding Redemption Amount, which, taken together, does not exceed the Programme Amount (or its equivalent in any other Specified Currency).

As at the Supplement Date, the Programme Amount is ZAR5,000,000,000. The Programme Memorandum as read together with this Supplement will only apply to Notes in issue under the Programme in an aggregate Outstanding Nominal Amount and "C" Preference Shares in issue under the Programme in an aggregate Outstanding Redemption Amount which in aggregate do 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 and/or the aggregate Outstanding Redemption Amount of the "C" Preference Shares, as applicable, issued under the Programme from time to time:

- a) the South African Rand equivalent of a Tranche of Notes and/or a Tranche of "C" Preference Shares, as the case may be, denominated in another Specified Currency shall be determined, at or about the date of the agreement to issue and place such Notes and/or "C" Preference Shares, as the case may be, 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 and/or any other Tranche of "C" Preference Shares, as the case may be, 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 and/or Equity Linked "C" Preference Shares, as the case may be, 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 and/or "C" Preference Shareholder, 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 the Programme Memorandum and this Supplement (and each agreement, deed or document relating to the Programme and/or the Programme Memorandum and/or this Supplement) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

Rating

A Tranche of "C" Preference Shares may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of "C" Preference Shares may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of "C" Preference Shares, 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 "C" Preference Shares is a recommendation to subscribe for, buy, sell or hold any "C" Preference Shares. A Rating of the Programme and/or a Rating of a Tranche of "C" Preference Shares 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 "C" Preference Shares may, depending on the type of "C" Preference Shares 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 Supplement headed "*South African Exchange Control*").

Risk factors

Investing in the "C" Preference Shares involves certain risks (see the section of this Supplement headed "*Risk Factors relating to the 'C' Preference Shares*").

SUMMARY OF THE PROGRAMME IN RESPECT OF THE "C" PREFERENCE SHARES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Supplement (including the section of this Supplement headed "Risk Factors relating to the "C" Preference Shares" and all documents which are incorporated by reference into this Supplement) and, in relation to a Tranche of "C" Preference Shares, 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 the Programme Memorandum headed " <i>Description of Macquarie Securities South Africa Proprietary Limited</i> ").
Guarantor	Macquarie Group Limited (ABN 94 122 169 279) (MGL) incorporated with limited liability in the Commonwealth of Australia (see the section of the Programme Memorandum header " <i>Description of Macquarie Group Limited</i> ").
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 the Programme Memorandum and this Supplement, 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/or FirstRand Bank Limited, acting through its Rand Merchant Bank division (Registration Number 1929/001225/06) (RMB) (see the section of The Programme Memorandum headed " <i>Subscription and Sale</i> " — " <i>Dealer and placing arrangements</i> ").
Dealer	In the case of the "C" Preference Shares only, a Dealer appointed by the Issuer from time to time (as specified in the Applicable Pricing Supplement), which appointment may be for a specific issue of one or more Tranches of "C" Preference Shares.
Paying Agent	The Issuer, unless the Issuer elects to appoint another entity as Paying Agent in respect of the "C" Preference Shares, in which event that other entity will act as Paying Agent in respect of the "C" Preference Shares.
Calculation Agent	The Issuer, unless the Issuer elects to appoint another entity as Calculation Agent in respect of the "C" Preference Shares, in which event that other entity will act as Calculation Agent in respect of the "C" Preference Shares.

Transfer Agent The Issuer, unless the Issuer elects to appoint another entity as Transfer Agent in respect of the "C" Preference Shares, in which event that other entity will act as Transfer Agent in respect of the "C" Preference Shares.

GENERAL

Applicable Pricing Supplement The Applicable Pricing Supplement relating to a Tranche of "C" Preference Shares will set out (among other things) the type of "C" Preference Shares in that Tranche of "C" Preference Shares, the Specified Denomination, the aggregate Outstanding Redemption Amount, the Specified Currency, the Issue Date, the Issue Price, the Scheduled "C" Dividend Rate (where applicable), the Scheduled "C" Preference Dividend Date(s) (where applicable) and the Final Redemption Date.

BESA Guarantee Fund Trust The holders of "C" Preference Shares that are listed on the Main Board of the JSE will have no recourse against the BESA Guarantee Fund Trust. For the avoidance of doubt, claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes which are listed on the Main Board 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 "C" Preference Shares, subject to the Exchange Control Regulations (see the section of this Supplement headed "*South African Exchange Control*").

"C" Preference Dividend Each Tranche of "C" Preference Shares will confer on the "C" Preference Shareholders of that Tranche of "C" Preference Shares a right to receive out of the profits of the Issuer a preference dividend (which shall be cumulative unless otherwise specified in the Applicable Pricing Supplement), determined and payable in accordance Condition 8 of the "C" Preference Share Terms and Conditions.

Scheduled "C" Preference Dividends: Unless otherwise specified in the Applicable Pricing Supplement, in respect of each Scheduled "C" Preference Dividend Date the Scheduled "C" Preference Dividend payable by the Issuer in respect of any "C" Preference Share shall be calculated by the Calculation Agent in accordance with Condition 8.1 of the "C" Preference Share Terms and Conditions.

Penalty "C" Preference Dividends: If the Issuer fails to pay a Scheduled "C" Preference Dividend on the relevant Dividend Payment Date, the Issuer shall, in addition to the unpaid Scheduled "C" Preference Dividends, declare and pay the Penalty "C" Preference Dividend to the "C" Preference Shareholder calculated by the Calculation Agent in accordance with Condition 8.2 of the "C" Preference Share Terms and Conditions (unless otherwise specified in the Applicable Pricing Supplement).

Tax Gross-Up, Additional "C" Preference Dividends and Additional Amounts: In respect of any "C" Preference Share and subject to Condition 8.3.3 of the "C" Preference Share Terms and Conditions, should a material breach of any of the Specified Warranties occur and

as a direct result of such breach the "C" Preference Shareholder is required to pay an amount of South African income tax on any "C" Preference Dividend, the Issuer shall be obliged to pay to the Affected "C" Preference Shareholder (within 15 Business Days of the satisfaction of the conditions set out in Condition 8.3.2 of the "C" Preference Share Terms and Conditions, the **Additional "C" Preference Dividend Date**) either:

- (i) a cash dividend amount equal to the Income Tax Amount (the **Additional "C" Preference Dividend**); or
- (ii) an amount of cash (which is not a dividend) equal to the Gross Up Amount (the **Additional Amount**).

Accumulated "C" Preference Dividends: The "C" Preference Dividends are cumulative (unless otherwise specified in the Applicable Pricing Supplement) and to the extent that all or any part of a "C" Preference Dividend has accrued or has become payable in accordance with these "C" Preference Share Terms, the Issuer shall be liable to pay, and the "C" Preference Shareholders shall be entitled to be paid, by no later than the Applicable Redemption Date all "C" Preference Dividends that have accrued or become payable in relation to the "C" Preference Shares in accordance with these "C" Preference Share Terms and which have not been paid on the applicable Dividend Payment Dates.

"C" Preference Shareholder(s)

The "C" Preference Shareholders are the holders of the "C" Preference Shares as recorded in the Register and a **Class of "C" Preference Shareholder(s)** are the holders of "C" Preference Shares of the same Class.

"C" Preference Share Guarantee

The Guarantor has, in terms of and subject to the "C" Preference Share Guarantee, unconditionally and irrevocably guaranteed to the "C" Preference Shareholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the "C" Preference Shares and the "C" Preference Share Terms and Conditions. The "C" Preference Share Guarantee is a direct unsecured obligation of the Guarantor. The Guarantor's payment obligations under the "C" Preference Share 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 Supplement headed *"Terms and Conditions of the "C" Preference Share Guarantee"*).

The Guarantor has provided a separate guarantee to the Noteholders as set out in the section of the Programme Memorandum headed *"Terms and Conditions of the Guarantee"*.

"C" Preference Shares Terms and Conditions

The "C" Preference Share Terms and Conditions are set out in the section of this Supplement headed *"Terms and Conditions of the "C" Preference Shares"*.

A Tranche of "C" Preference Shares will be issued on, and subject to, the "C" Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of "C" Preference Shares set out in the Applicable Pricing Supplement relating to that Tranche of "C" Preference Shares. References in the "C" Preference Share Terms and Conditions to a *"Tranche of "C" Preference Shares"* and *"C" Preference Shares"* are to the type of "C" Preference Shares specified in the relevant Applicable Pricing

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

The "C" Preference Share Terms and Conditions of a Tranche of "C" Preference Shares are incorporated by reference into the Individual Certificate(s) (if any) representing any of the "C" Preference Shares in that Tranche. The Applicable Pricing Supplement relating to any "C" Preference Shares in a Tranche which are represented by Individual Certificate(s) will be attached to such Individual Certificate(s).

Clearing and settlement

Each Tranche of "C" Preference 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.

Each Tranche of "C" Preference Shares 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 Supplement headed "*Settlement, Clearing and Transfers of the 'C' Preference Shares*").

CSD

Strate Limited (Registration Number 1998/022242/06), a central securities depository licensed in terms of the Securities Services Act, 2004 (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 "C" Preference Shares may be offered 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).

Dividend Period(s) or

Dividend Payment Date(s)

The Dividend Period in respect of any "C" Preference Shares shall be the Scheduled "C" Preference Dividend Period as specified in the Applicable Pricing Supplement.

A Dividend Payment Date in respect of any "C" Preference Shares shall be any Scheduled "C" Preference Dividend Date as specified in the Applicable Pricing Supplement, any Penalty "C" Preference Dividend Date or any Additional "C" Preference Dividend Date (being the date upon which the Issuer is obliged to pay an Affected "C" Preference Shareholder an Additional "C" Preference Dividend or an Additional Amount, as the case may be).

Exchange Control

The issue of a particular Tranche of "C" Preference Shares may, depending on the type of "C" Preference Shares in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in such "C" Preference Shares and the performance by the Issuer of its obligations under such

"C" Preference Shares may be subject to the Exchange Control Regulations (see the section of this Supplement headed "*South African Exchange Control*").

Form of "C" Preference Shares	"C" Preference Shares shall be issued in the form of Registered "C" Preference Shares and each Tranche of Registered "C" Preference Shares which is listed on the JSE and each Tranche of unlisted "C" Preference Shares will be issue in certificated form or electronically in uncertificated form as described in the section of this Supplement headed " <i>Form of the "C" Preference Shares</i> ".
Governing Law	<p>The "C" Preference Shares and the "C" Preference Share Terms and Conditions, are governed by and shall be construed in accordance with, the laws of South Africa.</p> <p>The "C" Preference Share Guarantee shall be governed by and construed in accordance with the laws of New South Wales, Australia.</p>
Issue and Transfer Taxes	As at the Supplement Date, the Securities Transfer Tax Act, 2007 (Securities Transfer Tax Act), imposes securities transfer tax (subject to certain exemptions stipulated in the Securities Transfer Tax Act) on the transfer and/or redemption of a "C" Preference Share (see section of this Supplement headed " <i>Taxation applicable to "C" Preference Shares</i> ").
Issue Price	"C" Preference Shares shall be issued at the price specified in the Applicable Pricing Supplement, subject to the Specified Denomination.
JSE	JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act.
JSE Guarantee Fund	<p>The holders of "C" Preference Shares that are not listed on the Main Board of the JSE will have no recourse against the JSE and/or the JSE Guarantee Fund. for the avoidance of doubt, claims against the JSE Guarantee Fund may only be made in respect of the trading of "C" Preference Shares which are listed on the Main Board of the JSE and in accordance with the rules of the JSE Guarantee Fund.</p> <p>Unlisted "C" Preference Shares are not regulated by the JSE.</p>
Listing	The Supplement was approved by the JSE on 14 December 2012. A Tranche of Registered "C" Preference Shares may be listed on the Main Board of the JSE. Unlisted "C" Preference Shares may also be issued under the Programme. Unlisted "C" Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered "C" Preference Shares will be listed or not.
Participants	The persons accepted by the CSD as participants in terms of the Securities Services Act. As at the Supplement 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 "C" Preference Shares through their Participant (see the section of this Supplement headed " <i>Settlement, Clearing and</i> ").

Transfers of the "C" Preference Shares").

Rating

A Tranche of "C" Preference Shares may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of "C" Preference Shares may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of "C" Preference Shares, 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 "C" Preference Shares is a recommendation to subscribe for, buy, sell or hold "C" Preference Shares 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 "C" Preference Shares could adversely affect the trading price of all or any of the "C" Preference Shares.

Redemption

Final Redemption: Unless previously redeemed or purchased and cancelled and subject to the Companies Act, 2008 (**Companies Act**) a Tranche of "C" Preference Shares will be redeemed by the Issuer, on the Final Redemption Date, at par or at such other Final Redemption Amount as specified in the Applicable Pricing Supplement, as may be adjusted by an Extraordinary Event Adjustment (if applicable).

Voluntary Redemption: If applicable to a Tranche of "C" Preference Shares in terms of the relevant Applicable Pricing Supplement, the Issuer may at its sole and absolute discretion voluntarily redeem "C" Preference Shares in accordance with Condition 13.2 of the "C" Preference Share Terms and Conditions.

Early Redemption: The Issuer shall, subject to the Companies Act, be obliged to redeem the "C" Preference Shares or a Class of "C" Preference Shares, as the case may be, upon the occurrence of a Early Redemption Event and the expiry of the relating notice period calling on the Issuer to remedy the Early Redemption Event at the Early Redemption Amount together with accrued preference dividends (if any) to the date of redemption or as specified in the Applicable Pricing Supplement.

Redemption following an Adjustment Event ("C" Preference Shareholder) and/or Adjustment Event (Issuer): If "Adjustment Events (Issuer)" is specified to be applicable in the Applicable Pricing Supplement, then one or more "C" Preference Shares may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Dividend Payment Date in accordance with Conditions 9 and 13.4 of the "C" Preference Share Terms and Conditions.

Redemption for Illegality reasons: If, at any time, it is or becomes illegal or unlawful for a "C" Preference Shareholder (the **Relevant "C" Preference Shareholder**) to hold the "C" Preference Shares it holds or to claim and recover all or any part of a "C" Preference Dividend or a Applicable Redemption Amount and if such Illegality Event is not removed or rectified (provided such Illegality Event is capable of being removed or rectified), or the Relevant "C" Preference Shareholder and the Issuer agree upon alternative acceptable provisions within 10 (ten) Business Days (or such longer period as the Parties may agree in the circumstances) of the date (**Illegality Notification Date**) on which the Relevant "C" Preference Shareholder notifies the Issuer of the Illegality Event, the Relevant "C" Preference Shareholder shall be entitled, by written notice to the Issuer, to require the Issuer to redeem all of the

Relevant "C" Preference Shareholder's Unredeemed Preference Shares for the aggregate Applicable Redemption Amount, together with accrued preference dividends (if any) to the date of redemption or as specified in the Applicable Pricing Supplement, in respect of such Unredeemed "C" Preference Shares.

Equity Linked "C" Preference Shares (Extraordinary Event Adjustment)

Where "Extraordinary Event Adjustment (Equity Linked "C" Preference Shares)" is specified in the Applicable Pricing Supplement upon the occurrence of an Extraordinary Event, the Issuer may, at its election (but to the exclusion of any of its rights (if any) to redeem the relevant "C" Preference Shares under the "C" Preference Share Terms and Conditions), direct the Calculation Agent to make an adjustment to the Reference Level pursuant to Condition 10.12 of the "C" Preference Share Terms and Conditions.

Adjustment Events

Where "Adjustment Events ("C" Preference Shareholder)" is specified in the Applicable Pricing Supplement and upon the occurrence of an Adjustment Event ("C" Preference Shareholder), the Affected Preference Shareholder (as defined in Condition 9 of the "C" Preference Share Terms and Conditions) shall be entitled to require the Issuer to increase the Scheduled "C" Preference Dividend Rate and the Issuer shall be entitled to redeem the relevant "C" Preference Shares in accordance with Conditions .9 and 1.13.3 of the "C" Preference Share Terms and Conditions or shall otherwise be obliged to comply with the Adjustment Notice (as defined in Condition 9 of the "C" Preference Share Terms and Conditions) (unless otherwise agreed between the Issuer and the Affected "C" Preference Shareholder).

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 "C" Preference Shares which is held in the CSD. Each holder of "C" Preference Shares which are represented by an Individual Certificate will be named in the Register as the registered "C" Preference Shareholder of such "C" Preference Shares.

Risk Factors

Investing in the "C" Preference Shares involves certain risks (see the section of the Supplement headed "*Risk Factors relating to the "C" Preference Shares*").

Selling Restrictions

The distribution of the Programme Memorandum read together with this Supplement and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of "C" Preference Shares 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 Supplement headed "*Subscription and Sale*"). Any other or additional restrictions which are applicable to the placing of a Tranche of "C" Preference Shares will be set out in the Applicable Pricing Supplement. Persons who come into possession of the Programme Memorandum and/or this Supplement and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

Size of the Programme	As at the Supplement Date, the Programme Amount is ZAR5,000,000,000. The Programme Memorandum read together with this Supplement will only apply to the aggregate of Notes in an aggregate Outstanding Nominal Amount and "C" Preference Shares in issue under the Programme in an aggregate Outstanding Redemption Amount which, taken together, do not in aggregate exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in the section of this Supplement 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 "C" Preference Shares listed on the Main Board of the JSE, the JSE Rules, such other currency as is specified in the Applicable Pricing Supplement.
Specified Denomination	The denomination of each "C" Preference Share in a Tranche of "C" Preference Shares will be the denomination specified in the Applicable Pricing Supplement, provided that the "C" Preference Shares will be issued with a minimum denomination of ZAR10,000, subject to the Specified Minimum Investment.
Specified Minimum Investment	Each "C" Preference Shareholder will be required to subscribe for a minimum of such number of "C" Preference Shares as is equal to a minimum acquisition cost of ZAR1,000,000 on each Issue Date (or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act).
Status of "C" Preference Shares	<p>Unless otherwise specified in the Applicable Pricing Supplement, the "C" Preference Shares rank (1) equally among themselves and the Other Preference Shares with respect to (i) the payment of dividends by the Issuer; and (ii) the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise; (2) in priority to the rights of all Other Shares with respect to (i) the payment of dividends by the Issuer; and (ii) the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise; and (3) below all claims in respect of any secured or unsecured Financial Indebtedness of the Issuer.</p> <p>The "C" Preference Shares do not confer on the "C" Preference Shareholders the right to participate in the profits or assets of the Issuer except as set out in the "C" Preference Share Terms.</p> <p>In the event of the liquidation, dissolution or winding-up of the Issuer (1) each "C" Preference Share shall have associated with it the right of the "C" Preference Shareholder to receive, in priority to the rights of all Other Shares but <i>pari passu</i> with each other "C" Preference Share and Other Preference Share, a return of capital in an amount equal to the Outstanding "C" Preference Share Obligations in respect of such "C" Preference Share calculated on the date on which payment of that return of capital is made by the Issuer to the holder of such "C" Preference Share; and (2) the claims of the "C" Preference Shareholders shall be subordinated to, and rank in priority of payment</p>

below, all claims in respect of any Financial Indebtedness of the Issuer. In any such event, and provided as aforesaid, no amount shall be payable to any "C" Preference Shareholders entitled to be paid amounts due in respect of the "C" Preference Shares until all Financial Indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or judicial management has been paid or discharged in full.

Taxation

A summary of the applicable tax legislation in respect of the "C" Preference Shares, as at the Supplement Date, is set out in the section of this Supplement headed "*Taxation applicable to 'C' Preference Shares*". The summary does not constitute tax advice. Potential investors in the "C" Preference Shares should consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the "C" Preference Shares.

Types of "C" Preference Shares

A Tranche of "C" Preference Shares may comprise, without limitation, Fixed Rate "C" Preference Shares, Floating Rate "C" Preference Shares and/or such other type of "C" Preference Shares 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 issue proceeds of each Tranche of "C" Preference Shares for general corporate purposes and in compliance with the Specified Warranties (if any) set out in the Applicable Pricing Supplement. Please also refer to the section of this Supplement headed "*Use of Proceeds*".

Withholding Taxes

A summary of the applicable tax legislation in respect of the "C" Preference Shares, as at the Supplement Date, is set out in the section of this Supplement headed "*Taxation applicable to 'C' Preference Shares*". The summary does not constitute tax advice. Potential investors in the "C" Preference Shares should consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the "C" Preference Shares headed "*Taxation applicable to 'C' Preference Shares*").

RISK FACTORS RELATING TO THE "C" PREFERENCE SHARES

This section is supplemental to, and should be read in conjunction with the section in the Programme Memorandum headed "Risk Factors".

In addition to the risks set out in the Programme Memorandum (see the section of the Programme Memorandum headed "Risk Factors"), the Issuer believes that the following investment considerations may affect its ability to fulfill its obligations under the "C" Preference Shares and/or the Guarantor's ability to fulfil its obligations under the "C" Preference Share 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 "C" Preference Shares and the market for the "C" Preference Shares generally are also described below.

The Issuer believes that the investment considerations described below (read together with the section of the Programme Memorandum headed "Risk Factors") represent the principal risks inherent in investing in the "C" Preference Shares, but the Issuer may be unable to pay dividends, principal or other amounts payable in respect of the "C" Preference Shares and/or the Guarantor may be unable to pay amounts payable under the "C" Preference Share 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 Supplement and, in relation to a Tranche of "C" Preference Shares, 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 "C" Preference Shares, 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 the Programme Memorandum read together with this Supplement 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 "C" Preference Share 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 Supplement.

The value of the "C" Preference Shares may depend upon, among other things, the ability of the Guarantor to fulfil its obligations under the "C" Preference Share 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.

Please refer to the sub-section in the Programme Memorandum headed "Risks relating to the Guarantor" for other risk factors relating to the Guarantor save that all references in such sub-section, for purposes of a Tranche of "C" Preference Shares, to:

- (i) "Noteholders" shall include "'C" Preference Shareholder"; and
- (ii) "Notes" shall include "'C" Preference Shares".

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFILL ITS OBLIGATION UNDER THE "C" PREFERENCE SHARES

Please refer to the sub-section in the Programme Memorandum headed "Factors that may affect the Issuer's ability to fulfill its obligations under the Notes" save that all references in such sub-section, for purposes of a Tranche of "C" Preference Shares, to:

- (i) "Noteholder" shall include "'C" Preference Shareholder"; and
- (ii) "Notes" shall include "'C" Preference Shares".

RISKS RELATING TO THE "C" PREFERENCE SHARES GENERALLY

The "C" Preference Shares 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 "C" Preference Shares and the information contained in or incorporated by reference into the Programme Memorandum read together with this Supplement, 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 "C" Preference Shares

A range of "C" Preference Shares may be issued under the Programme. A number of these "C" Preference Shares may have features which contain particular risks for potential investors. The risks of a particular Tranche of "C" Preference Shares will depend on the applicable "C" Preference Share Terms and Conditions of that Tranche of "C" Preference Shares, but may include, without limitation, the possibility of significant changes in the values of the applicable dividend 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 dividend 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 "C" Preference Shares.

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

- the applicable dividend rate indices, currencies, other indices or formulas, or redemption or other rights or options; or

- investments where the amount of redemption amount and/or dividend payable (if any) is based on the price, value, performance or some other factor and/or the creditworthiness of one or more entities.

Equity Linked “C” Preference Shares

The Issuer may issue Equity Linked “C” Preference Shares the terms of which provide for dividend or principal payable in respect of such “C” Preference Shares to be determined by reference to an underlying equity or a basket of underlying equities, as the case may be, which may be specified in the Applicable Pricing Supplement (each, a **Reference Security**). Potential investors should be aware that:

- the market price of such “C” Preference Shares may be volatile. In order to realize a return upon an investment in an Equity Linked “C” Preference Share, an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease of the value of the relevant Reference Security relative to the Issue Price and must also be correct about when the change will occur. If the value of the Reference Security does not increase, or decreases, as the case may be, before such Equity Linked “C” Preference Shares are redeemed, part of the investor’s investment in such Equity Linked “C” Preference Shares may be lost on such redemption;
- no dividend(s) may be payable on such “C” Preference Shares;
- payments of principal or dividends on such “C” Preference Shares may occur at a different time than expected;
- fluctuations in the price of the relevant Reference Security or value of the basket of Reference Securities will affect the value of Equity Linked “C” Preference Shares;
- fluctuations in the value of currency or currencies in or to which the Reference Security or Reference Securities, as the case may be, will also affect the value of such Equity Linked “C” Preference Shares; and
- due to the character of the particular markets on which most equity securities are traded, the absence of last sale information and the limited availability of quotations for such securities may make it difficult for many investors to obtain timely, accurate data for the price or yield of such equity securities.

Other “C” Preference Shares

The risks (if any) of investing in particular types of “C” Preference Shares (such as Equity Linked “C” Preference Shares) which are not set out in, or covered by, the section of the Programme Memorandum headed “*Risk Factors*” read together with this section of the Supplement headed “*Risk Factors relating to the “C” Preference Shares*” will be set out in a supplement to the Programme Memorandum read together with this Supplement prior to the Issue Date of the first Tranche of such “C” Preference Shares to be issued under the Programme.

Meetings of “C” Preference Shareholders

Condition 23 of the “C” Preference Share Terms and Conditions contains provisions for calling meetings of “C” Preference Shareholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all “C” Preference Shareholders including “C” Preference Shareholders who do not attend and vote at the relevant meeting and “C” Preference Shareholders who vote in a manner contrary to the majority.

Change of law

The Programme Memorandum read together with this Supplement and the “C” Preference Shares and the applicable “C” Preference Share Terms and Conditions, are governed by, and will be construed in accordance with, the laws of South Africa. The “C” Preference Share 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 (including changes to laws relating to taxation – in particular please refer to the section in this Supplement headed “*Taxation Applicable to “C” Preference*”

Shares”) or the laws of New South Wales, Australia or administrative practice in either such jurisdiction after the Supplement Date.

RISKS RELATING TO THE MARKET FOR “C” PREFERENCE SHARES GENERALLY

The secondary market generally

The “C” Preference Shares 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 “C” Preference Shares 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 “C” Preference Shares that are especially sensitive to dividend 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 “C” Preference Shares 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 “C” Preference Shares.

In addition, “C” Preference Shareholders 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 “C” Preference Shares. Such lack of liquidity may result in investors suffering losses on the “C” Preference Shares 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 “C” Preference Shares 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 (**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 “C” Preference Shares, (ii) the Investor’s Currency-equivalent value of the principal payable on the “C” Preference Shares and (iii) the Investor’s Currency-equivalent market value of the “C” Preference Shares.

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 and/or dividend rate risks

Investment in Fixed Rate “C” Preference Shares involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate “C” Preference Shares.

The market values of securities issued at a substantial premium to their principal amount tend to fluctuate more in relation to general changes in interest and/or dividend rates, as the case may be, 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.

“C” Preference Shareholders may suffer unforeseen losses due to fluctuations in interest rates (in instances where the “C” Preference Shares are linked, whether directly or indirectly, to such interest rates). Generally, a rise in interest rates may cause a fall in bond prices.

Rating of the Programme and/or a Tranche of “C” Preference Shares may not reflect all risks

A Tranche of “C” Preference Shares may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of “C” Preference Shares may also be issued.

Neither the Rating of the Programme nor the Rating of a Tranche of "C" Preference Shares 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 "C" Preference Shares. Neither a Rating of the Programme nor a Rating of a Tranche of "C" Preference Shares is a recommendation to subscribe for, buy, sell or hold any "C" Preference Shares, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the "C" Preference Shares for a particular investor.

A Rating of a Tranche of "C" Preference Shares only addresses the likelihood that the Applicable Redemption Amount of "C" Preference Shares in that Tranche will be fully repaid by the Final Redemption Date and that the dividends (if any) payable in respect of such "C" Preference Shares 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 "C" Preference Shares 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 "C" Preference Shares 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 "C" Preference Shares assigned by the Rating Agency appointed by the Issuer, or such rating agency may rate the Programme and/or a Tranche of "C" Preference Shares 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 "C" Preference Shares by the Rating Agency appointed by the Issuer. Any adverse change in the Rating of the Programme and/or a Tranche of "C" Preference Shares could adversely affect the trading price of all or any of the "C" Preference Shares.

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) "C" Preference Shares are legal investments for it, (2) "C" Preference Shares can be used as collateral for various types of borrowing, and (3) other restrictions (including, without limitation, the treatment and/or reporting of the "C" Preference Shares under and/or for purposes of the Exchange Control Regulations) that apply (or may apply) to its purchase or pledge of any "C" Preference Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of any "C" Preference Shares under any applicable risk-based capital or similar rules.

FORM OF THE "C" PREFERENCE SHARES

Each Tranche of "C" Preference Shares shall be issued in the registered form.

REGISTERED "C" PREFERENCE SHARES

"C" Preference Shares issued in uncertificated form

Each Tranche of "C" Preference Shares which is listed on the Main Board of the JSE and each Tranche of unlisted "C" Preference Shares will be issued in registered uncertificated form in terms of section 37 of the Securities Services Act, 2004 (**Securities Services Act**) and will be held in the CSD. "C" Preference Shares issued in uncertificated form will not be represented by any certificate or written instrument.

Beneficial Interests in "C" Preference Shares held in the CSD

All "C" Preference Shares 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 "C" Preference Shares 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 "C" Preference Shares.

While a Tranche of "C" Preference Shares is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole "C" Preference Shareholder of the "C" Preference Shares in that Tranche.

All amounts to be paid and all rights to be exercised in respect of "C" Preference Shares 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 "C" Preference Shares.

The CSD maintains central securities accounts only for Participants. As at the Supplement 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 "C" Preference Shares 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 "C" Preference Shares held by them in the CSD only through their Participants. Euroclear and Clearstream Banking may hold "C" Preference Shares 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 Redemption Amount of "C" Preference Shares, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Redemption Amount of such "C" Preference Shares standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered "C" Preference Shareholder of such "C" Preference Shares 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 Redemption Amount of such "C" Preference Shares 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.

"C" Preference Shares represented by Individual Certificates

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for "C" Preference Shares represented by an Individual Certificate in accordance with Condition 17.1 of the "C" Preference Share Terms and Conditions.

Title to "C" Preference Shares represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 5.3 of the "C" Preference Share Terms and Conditions.

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

Payments of all amounts due and payable in respect of "C" Preference Shares represented by Individual Certificates will be made in accordance with Condition 16 of the "C" Preference Share Terms and Conditions to the person reflected as the registered "C" Preference Shareholder of such "C" Preference Shares in the Register at 17h00 (South African time) on the Last Day to Register.

PRO FORMA APPLICABLE "C" PREFERENCE SHARE PRICING SUPPLEMENT

Each Tranche of "C" Preference Shares which is to be listed on the Main Board of the JSE will be issued in the form of Registered "C" Preference Shares. The form of Applicable Pricing Supplement which will be completed for each such Tranche of "C" Preference Shares is set out below.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted "C" Preference Shares 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 amount of Tranche] ["C" Preference Shares] due [Final Redemption Date]

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of "C" Preference Shares described herein.

This Applicable Pricing Supplement must be read in conjunction with the amended and updated Programme Memorandum dated 17 May 2012, as amended on 25 June 2012 and further amended and supplemented pursuant to a Supplement dated 14 December 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 ZAR5,000,000,000.00 Debt Instrument Programme (the **Programme**).

The Programme Memorandum was approved by the JSE Limited (the **JSE**) on 16 May 2012 and amended by a supplement on 25 June 2012 and further amended by a supplement approved by the JSE on 14 December 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 "C" Preference Shares*" (the **"C" Preference Share Terms and Conditions**). References to any Condition in this Applicable Pricing Supplement are to that Condition of the "C" Preference Share Terms and Conditions.

A. GENERAL DESCRIPTION OF THE "C" PREFERENCE SHARES

- | | | |
|----|-----------|---|
| 1. | Issuer | Macquarie Securities South Africa Proprietary Limited |
| 2. | Guarantor | Macquarie Group Limited |

3. Excluded Beneficiaries ("C" Preference Share Guarantee) [], shall not be entitled to benefit from the "C" Preference Share Guarantee] [Not Applicable]
4. Tranche number []
5. Class number []
6. Listing [Listed on the Main Board of the JSE] [Unlisted]
7. Status of "C" Preference Shares [Cumulative] [Non-cumulative]
8. Ranking of "C" Preference Shares The "C" Preference Shares rank *pari passu* and without any preference or priority among themselves
9. Type of "C" Preference Shares [Fixed Rate "C" Preference Shares] [Floating Rate "C" Preference Shares] [Equity Linked "C" Preference Shares] [specify other]
10. Issue Date []
11. Issue Price In relation to each "C" Preference Share, ZAR10,000 [give details if other]
12. Aggregate Issue Price ZAR[]
13. Dividend Basis [[]% Fixed Rate] [[specify Reference Rate] ± []%] [Floating Rate] [specify other]
14. Specified Currency [ZAR] [specify other]
15. Minimum Specified Denomination of each "C" Preference Share ZAR10,000
16. Specified Minimum Investment [ZAR1,000,000] [specify greater amount]
17. Business Day Convention []

B. "C" PREFERENCE SHARE DIVIDENDS

1. Scheduled "C" Preference Dividend [specify if calculated other than in accordance with Condition 8.1.1 of the "C" Preference Share Terms and Conditions]
2. Scheduled "C" Preference Dividend Date(s) []
3. Scheduled "C" Preference Dividend Periods [Each Dividend Period commencing on and including a Scheduled "C" Preference Dividend Date and ending on but excluding the following Scheduled "C" Preference Dividend Date; provided that the first Dividend Period shall commence on and include the Issue Date and the last Dividend Period shall end on but exclude the Applicable Redemption Date] []
4. Scheduled "C" Preference Dividend Rate [[]% of Reference Rate] [Reference Rate plus []%]
5. Penalty "C" Preference Dividend [specify if calculated other than in accordance with Condition 8.2.2 of the "C" Preference Share Terms and Conditions]
6. Penalty "C" Preference Dividend Rate []
7. Reference Rate [The publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 (three hundred and sixty-five) day year (irrespective of whether or not the year is a leap year)) from time to time published by The Standard Bank of South Africa Limited being its prime overdraft rate as certified by any authorised official of such bank, whose appointment, designation or authority need not be proved] [specify other]

C. REDEMPTION

1. Final Redemption
 - (a) Final Redemption Date []
 - (b) Final Redemption Amount []
2. Early Redemption
 - (a) Early Redemption Amount []
 - (b) Adjustment Events ("C" Preference Shareholder) [Applicable] [Not Applicable]
 - (c) Adjustment Events (Issuer) [Applicable] [Not Applicable]
 - (d) Additional Early Redemption Events []
 - (e) Voluntary Early Redemption (Issuer) [Applicable] [Not Applicable]

D. EQUITY LINKED "C" PREFERENCE SHARES

1. Reference Security []
2. Reference Level []

3. VWAP []
4. Extraordinary Event [Applicable] [Not Applicable]
Adjustment
5. Extraordinary Events []
6. Dispute Resolution [Applicable] [Not Applicable]
(Extraordinary Event
Adjustment)

E. SPECIFIED WARRANTIES

The Issuer makes the Specified Warranties set out below to each "C" Preference Shareholder on the [Issue Date of each "C" Preference Share held by such "C" Preference Shareholder, each Dividend Payment Date in respect of each "C" Preference Share held by such "C" Preference Shareholder and each Applicable Redemption Date of each "C" Preference Share held by such "C" Preference Shareholder] *[specify date]*.

1. Contributed Tax Capital [specify]
2. Controlled Foreign Company [specify]
3. Dividends [specify]
4. Distributions [specify]
5. Purpose (Third Party Backed Shares) [specify]
6. Guarantor (Third Party Backed Shares) [specify]
7. Operating Company (Third Party Backed Shares) [specify]

F. 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]*

G. CORPORATE ACTION TIMETABLE

1. Declaration Date [the date on which the corporate action and the declaration data, including any conditions precedent to which the corporate action is subject, are announced and released through SENS] [date to be at least 15 Business Days before Record Date]

2. Finalisation Date [the date on which an event and its terms become unconditional in all respects and irrevocable i.e. no further finalisation changes to any of the finalisation information can be made by the issuer and the event can only be cancelled] [date to be at least 10 days before Record Date and at least 5 days before the Last Day to Trade]
3. Last Day to Trade Up until 17h00 (South African time) on the [specify other] Business Day preceding each Scheduled "C" Preference Dividend Date (where applicable) and the Redemption Date. [date to be at least 5 Business Days before Record Date]
4. List Date [the date on which new shares are listed]
5. Record Date [the date on which the holdings, upon which the event entitlement is based are ascertained. Record date is one settlement period after Last Day to Trade (currently 5 business days). Record date must be on a Friday or, if Friday is a public holiday, the last trading day of the week]
6. Pay Date [the date on which entitlements will be paid or posted after the Record Date]

H. GENERAL

1. Additional selling restrictions [Not Applicable] [give details]
2. Additional representations and warranties [Not Applicable] [give details]
3. International Securities Numbering (ISIN) []
4. Stock Code Number []
5. Long Name: MacquarieSA EL Pref EXX1
6. Short Name: MAQELPEX1
7. Financial Exchange [JSE Limited (Main Board)]
8. 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 "C" Preference Shares in this Tranche] [Dutch Auction] [specify other]
9. Name of Dealers [Not Applicable] [specify]
10. Governing law The laws of South Africa save that the "C" Preference Share Guarantee is governed by, and shall be construed in accordance with, the laws of New South Wales, Australia
11. Business Centre [Johannesburg] [specify other]
12. Additional Business Centre [Not Applicable] [give details]
13. 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. On 19 October 2012 Standard & Poor's announced an upgrade of the Programme's SA National Scale Rating to zaAA/zaA-1.] [specify other]
14. Rating (if any) assigned to this Tranche of "C" [Not Applicable] [give details]

Preference Shares as at the Issue Date and date on which such Rating is expected to be reviewed, as well as Rating Agency assigning the Rating

15. Other provisions [Not Applicable] *[give details]*

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 Class [] of the "C" Preference Shares on the Main Board of the JSE, as from the Issue Date, pursuant to the Macquarie Securities South Africa Proprietary Limited ZAR5,000,000,000 Debt Instrument Programme.

For and on behalf of **MACQUARIE SECURITIES SOUTH AFRICA PROPRIETARY LIMITED**

.....
who warrants that he is duly
authorised thereto

.....
who warrants that he is duly
authorised thereto

Name:

Name:

Title:

Title:

Date:

Date:

TERMS AND CONDITIONS OF THE "C" PREFERENCE SHARES

The following are the "C" Preference Share Terms and Conditions of the "C" Preference Shares to be issued by the Issuer. "C" Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of "C" Preference Shares. Before the Issuer issues any Tranche of "C" Preference Shares, the Issuer shall complete and sign the Applicable Pricing Supplement relating to that Tranche of "C" Preference Shares. The Applicable Pricing Supplement in relation to any Tranche of Preference Shares may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following "C" Preference Share Terms and Conditions, replace or modify the following "C" Preference Share Terms and Conditions for the purpose of such Tranche of "C" Preference Shares.

1. DEFINITIONS

In these "C" Preference Share Terms and Conditions, unless inconsistent with the context, terms used with a capitalised first letter, and not otherwise defined herein, shall have the meanings ascribed thereto in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*", or in relation to a Tranche of "C" Preference Shares, separately defined in the relevant Applicable Pricing Supplement.

The following expressions shall have the following meanings:

- 1.1 **Accumulated "C" Preference Dividends** has the meaning specified in Condition 8.4;
- 1.2 **Additional Amount** has the meaning specified in Condition 8.3.1.2;
- 1.3 **Additional Business Centre** means, if applicable to a Tranche of "C" Preference Shares, the city specified as such in the Applicable Pricing Supplement;
- 1.4 **Additional "C" Preference Dividend** means the preferential cash dividend payable by the Company in accordance with Condition 8.3.1.1 and defined herein as an "*Additional "C" Preference Dividend*";
- 1.5 **Additional "C" Preference Dividend Date** has the meaning specified in Condition 8.3.1;
- 1.6 **Additional Early Redemption Event** means any of the events specified as such in the relevant Applicable Pricing Supplement;
- 1.7 **Adjustment Event ("C" Preference Shareholder)** means any Change in Law, which has the effect of reducing the net after tax return (**Return**) of any "C" Preference Shareholders in respect of, or in connection with, the subscription for and/or holding of the "C" Preference Shares, to below the level of Return enjoyed by such "C" Preference Shareholder on or before the occurrence of such Adjustment Event;
- 1.8 **Adjustment Event (Issuer)** means any Change in Law applicable to the Issuer and/or the Guarantor, where the Issuer determines in good faith that such Change in Law will have the effect of increasing the cost of the performance by the Issuer and/or the Guarantor under the terms and conditions of the "C" Preference Shares and/or "C" Preference Share Guarantee to an amount above the cost payable by the Issuer and/or the Guarantor before the occurrence of such Change in Law;
- 1.9 **Adjustment Notice** has the meaning specified in Condition 9;

- 1.10 **Affected "C" Preference Shareholder** has the meaning specified in Condition 9;
- 1.11 **Applicable Pricing Supplement** means, in relation to a Tranche of "C" Preference Shares, the pricing supplement completed and signed by the Issuer in relation to that Tranche of "C" Preference Shares, setting out the additional and/or other terms and conditions which are applicable to that Tranche of "C" Preference Shares, based upon the pro forma Applicable Pricing Supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma "C" Preference Share Applicable Pricing Supplement*";
- 1.12 **Applicable Procedures** means the rules and operating procedures for the time being of the CSD, Participants, the Relevant Stock Exchange (including, without limitation, the JSE Rules and the JSE Debt Listings Requirements) and/or any other Relevant Stock Exchange;
- 1.13 **Applicable Redemption Amount** means, in relation to all or any of the "C" Preference Shares in a Tranche of "C" Preference Shares (as applicable), the amount of principal which is due and payable by the Issuer to the "C" Preference Shareholders of such "C" Preference Shares upon the redemption of such "C" Preference Shares (in whole or in part), in terms of the applicable "C" Preference Share Terms and Conditions, being the Final Redemption Amount or the Early Redemption Amount, as applicable;
- 1.14 **Applicable Redemption Date** means, in relation to all or any of the "C" Preference Shares in a Tranche of "C" Preference Shares (as applicable), the Final Redemption Date or the Early Redemption Date, as applicable;
- 1.15 **Authorising Resolution** means in respect of each Tranche of "C" Preference Shares, a resolution of the Board authorising the issue of that Tranche of "C" Preference Shares on the terms set out in the "C" Preference Share Terms and Conditions and as replaced, amended and/or supplemented by the terms and conditions set out in the relevant Applicable Pricing Supplement;
- 1.16 **Banks Act** means the Banks Act, 1990, of South Africa;
- 1.17 **Beneficial Interest** means, in relation to a Tranche of "C" Preference Shares which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the "C" Preference Shares 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 "C" Preference Shares in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Redemption Amount of such number of "C" Preference Shares bears to the aggregate Outstanding Redemption Amount of all of the "C" Preference Shares in that Tranche, as provided in section 41(3) of the Securities Services Act;
- 1.18 **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 Supplement Date, operated by the JSE as a separate guarantee fund, in terms of the JSE Rules, as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;
- 1.19 **Board** means the board of directors of the Issuer from time to time;
- 1.20 **Business Day** means, in relation to a Tranche of "C" Preference Shares, 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;

- 1.21 **Business Day Convention** means, in relation to a Tranche of "C" Preference Shares, 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:
- 1.21.1 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
- 1.21.2 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
- 1.21.3 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
- 1.21.4 such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;
- 1.22 **"C" Preference Dividend** means any Additional "C" Preference Dividend, any Penalty "C" Preference Dividend and/or any Scheduled "C" Preference Dividend, or all of them, as the context requires;
- 1.23 **"C" Preference Share Guarantee** means the guarantee deed poll, dated 14 December 2012, executed by the Guarantor in favour of the "C" Preference Shareholders, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.24 **"C" Preference Shareholder** means the holders of "C" Preference Shares (as recorded in the Register), and **"C" Preference Shareholders** means, as the context requires, all of them;
- 1.25 **"C" Preference Share Terms and Conditions** or **"C" Preference Share Terms** means the "C" Preference Share Terms and Conditions of the "C" Preference Shares set out in this section of the Programme Memorandum headed "*C" Preference Share Terms and Conditions of the "C" Preference Shares*" and applicable "C" Preference Share Terms and Conditions means, in relation to a Tranche of "C" Preference Shares, the "C" Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of "C" Preference Shares set out in the Applicable Pricing Supplement relating to that Tranche of "C" Preference Shares;
- 1.26 **"C" Preference Shares** means the preference shares issued or to be issued by the Issuer under the Programme as indicated in the Applicable Pricing Supplement pursuant to the Programme Memorandum and the Issuer's MOI;
- 1.27 **Calculation Agent** means the Issuer, unless the Issuer elects to appoint another entity as Calculation Agent in respect of the "C" Preference Shares, in which event that other entity will act as Calculation Agent in respect of the relevant Class or Tranche of "C" Preference Shares;
- 1.28 **Capital Return** means a return of capital by the Issuer in respect of a "C" Preference Share as contemplated by Condition 13.7;

- 1.29 **Change in Law** means, with respect to any applicable jurisdiction:
- 1.29.1 any amendment or proposed amendment to or change or proposed change (including a change in Tax rates) in the laws of such jurisdiction; and/or
 - 1.29.2 any amendment or proposed amendment to or change or proposed change in an official, administrative or judicial interpretation, pronouncement or application of, or practice under, the laws of such jurisdiction; and/or
 - 1.29.3 any official, administrative or judicial interpretation, pronouncement or application of, or practice under, the laws of such jurisdiction which differs in any material respect (as determined by the affected party acting in good faith) from the interpretation, pronouncement, application or practice applying at the Issue Date; and/or
 - 1.29.4 any change or proposed change in the published practice of any Tax, legal or regulatory authority in such jurisdiction; and/or
 - 1.29.5 any change or proposed change in the official application, pronouncement or interpretation of, or any execution of or amendment to, any treaty or treaties to which such jurisdiction or political subdivision is a party with South Africa; and/or
 - 1.29.6 any change or proposed change to any accounting standard or generally accepted accounting practice to which the affected party or the group of companies of which it is a member is subject or follows in the preparation and/or presentation of its accounts or financial statements.

and for the purposes of this definition, the term "*affected party*" shall mean that party that is affected by the Change in Law in question or is a member of the group of companies (meaning such party and its affiliates in its country of domicile and/or abroad) which is so affected;

- 1.30 **Class** means a Tranche of "C" Preference Shares together with any further Tranche or Tranches of "C" Preference Shares which are (a) expressed in the Authorising Resolution to form part of the same Class as another Tranche of "C" Preference Shares, and (b) identical in all respects (including as to listing) except for their respective Issue Dates and/or Issue Prices;
- 1.31 **Class of "C" Preference Shareholder(s)** means the holders of "C" Preference Shares of the same Class;
- 1.32 **Companies Act** means the Companies Act, 2008, of South Africa;
- 1.33 **Corporate Action** means in respect of a Reference Security any (i) reclassification or change of the Reference Securities as a result of any corporate action (including without limitation, a share split, a reverse share split, a special dividend, a rights issue, a capital raising, a share buyback, a bonus share issue, a return of capital and a change of control) or (ii) a consolidation, amalgamation, merger or binding share exchange in respect of the Reference Security;
- 1.34 **Corporate Tax Rate** means the maximum nominal rate of income tax (expressed as a decimal) levied on the taxable income of companies (other than small business corporations, non-resident companies, employment companies, gold mining companies, long-term insurance companies and tax holiday companies) from time to time in terms of the Income Tax Act;

- 1.35 **Counsel Process** means, in the context of an Income Tax Amount, the process comprising the following sequential steps:
- 1.35.1 the "C" Preference Shareholder delivering to the Guarantor a copy of a detailed and comprehensive memorandum of advice from its Tax Practitioner or Legal Counsel (taking into account all relevant matters of law, matters of fact and matters of evidence available and known to the "C" Preference Shareholder) (the **Memorandum**) that concludes that there is no realistic basis on which a Court would not make a finding that the relevant Income Tax Amount is payable by the "C" Preference Shareholder (the **Holder Finding**); and
 - 1.35.2 the Issuer not being able to obtain written advice (on any matters of law, matters of fact or matters of evidence) from its Tax Practitioner or Legal Counsel to the effect that there is no realistic basis on which the Court would make a finding other than the Holder Finding (regardless of whether the difference between such advice and the advice referred to in the Holder Finding arises from a matter of law, a matter of fact, a matter of evidence or otherwise) (the **Issuer Finding**) within 90 Business Days of the "C" Preference Shareholder having furnished the Memorandum to the Issuer; or
 - 1.35.3 to the extent that the Issuer Finding conflicts with the Holder Finding, the "C" Preference Shareholder delivering to the Issuer a certified copy of the judgment of the Court determining the Income Tax Amount (unless another dispute mechanism is agreed in writing by the Issuer and the "C" Preference Shareholder at such time).
- 1.36 **Court** means a South African court of first instance with the relevant tax or fiscal authority or a tax court established in terms of section 83(3) of the Income Tax Act;
- 1.37 **CIS** means a collective investment scheme registered pursuant to the Collective Investment Schemes Act, 2002;
- 1.38 **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;
- 1.39 **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;
- 1.40 **Dealer** means any Dealer appointed by the Issuer from time to time (as specified in the Applicable Pricing Supplement), which appointment may be for a specific issue of one or more Tranches of "C" Preference Shares or for the Programme;
- 1.41 **Declaration Date** means the date on which the payment of a "C" Preference Dividend and the relating declaration data, including any conditions precedent to which the payment of a "C" Preference Dividend is subject, are announced and released through SENS in accordance with Schedule 24 of the JSE Listing Requirements;
- 1.42 **Discharge Date** means the date on which all of the "C" Preference Shares have been redeemed;
- 1.43 **Dividend Payment Date** means in respect of any "C" Preference Shares, any Scheduled "C" Preference Dividend Date, any Penalty "C" Preference Dividend Date or any Additional "C" Preference Dividend Date, as the case may be;

- 1.44 **Dividend Period** means in respect of any "C" Preference Shares, the Scheduled "C" Preference Dividend Period;
- 1.45 **Dividend Rate** means the Penalty "C" Preference Dividend Rate and/or the Scheduled "C" Preference Dividend Rate, as the case may be;
- 1.46 **Equity Linked "C" Preference Share** means a "C" Preference Share in respect of which the Early Redemption Amount and/or Final Redemption Amount is determined with reference to the performance of a Reference Security as specified in the Applicable Pricing Supplement;
- 1.47 **Early Redemption Amount** means the amount of principal payable in respect of each "C" Preference Share upon early redemption thereof as specified in the Applicable Pricing Supplement payable in respect of each "C" Preference Share on the Early Redemption Date;
- 1.48 **Early Redemption Date** means, in relation to a "C" Preference Share means the date upon which the Issuer is obliged to redeem the "C" Preference Shares pursuant to Condition 13;
- 1.49 **Early Redemption Event** means, in relation to a Tranche of "C" Preference Shares, the events specified as such in Condition 14, including an Additional Early Redemption Event;
- 1.50 **Exchange Control Authorities** means the Financial Surveillance Department of the South African Reserve Bank;
- 1.51 **Exchange Control Regulations** means the South African Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933, of South Africa;
- 1.52 **Extraordinary Event Adjustment** means, in respect of an Equity Linked "C" Preference Share, an adjustment made in accordance with Condition 10.1;
- 1.53 **Extraordinary Event** means, in respect of an Equity Linked "C" Preference Share, the occurrence of a Corporate Action, (unless otherwise specified in the Applicable Pricing Supplement);
- 1.54 **Extraordinary Resolution** means, in respect of the relevant Group, Class or all "C" Preference Shareholders, a resolution passed at a meeting of the "C" Preference Shareholders (duly convened and conducted in accordance with Condition 22) by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75% of the votes cast on such poll;
- 1.55 **Finalisation Date** means the date on which the payment of "C" Preference Dividend and its terms (if any) become unconditional in all respects and irrevocable such that no further finalisation changes to any of the finalisation information can be made by the Issuer and the payment of the "C" Preference Dividend can only be cancelled pursuant to the JSE Listing Requirements;
- 1.56 **Final Redemption Amount** means the amount of principal payable in respect of each "C" Preference Share upon final redemption thereof as specified in the Applicable Pricing Supplement payable in respect of each "C" Preference Share upon the Final Redemption Date, as may be adjusted by an Extraordinary Event Adjustment (if applicable);
- 1.57 **Final Redemption Date** means, in relation to a Tranche of "C" Preference Shares, the date specified as such in the Applicable Pricing Supplement;
- 1.58 **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):

- 1.58.1 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;
- 1.58.2 the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
- 1.58.3 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.
- 1.59 **Fixed Rate "C" Preference Shares** means "C" Preference Shares which bear dividends at a fixed dividend rate, as specified in the Applicable Pricing Supplement;
- 1.60 **Floating Rate "C" Preference Shares** means "C" Preference Shares which bear dividends at a floating dividend rate, as specified in the Applicable Pricing Supplement;
- 1.61 **Gross-Up Amount** means in respect of a breach of the Specified Warranties by the Issuer in relation to any "C" Preference Share, an amount calculated by the Calculation Agent in accordance with the following formula –
- $Z = [A/(1 - B)]$**
- in which formula:
- Z represents the Gross-Up Amount to be calculated;
- A represents the Income Tax Amount; and
- B represents the Corporate Tax Rate.
- 1.62 **Group of "C" Preference Shareholders** means (as applicable) the holders of the "C" Preference Shares in a Tranche of "C" Preference Shares or the holders of the "C" Preference Shares in more than one Tranche of "C" Preference Shares in a Class of "C" Preference Shares or the holders of "C" Preference Shares in a Series of "C" Preference Shares;
- 1.63 **Guarantor** means Macquarie Group Limited (ABN 94 122 169 279) incorporated with limited liability in the Commonwealth of Australia;
- 1.64 **Hedging Disruption Event** means, in respect of any "C" Preference Share, the occurrence of an event or circumstances in terms of which the Hedging Party is unable, after using commercially reasonable efforts for a reasonable period:
- 1.64.1 to acquire, establish, re-establish, substitute, maintain, unwind or dispose of a Hedge Transaction; or
- 1.64.2 to realise, recover, or remit in whole or in part the proceeds of the Hedge Transaction,
- provided that the Hedging Party has determined, in good faith, that one or more of the above events or circumstances has occurred and has, if requested to do so in writing, provided prima facie evidence of such occurrence to the affected "C" Preference Shareholders;
- 1.65 **Hedging Transaction** means a transaction in connection with the purchase, sale, entry into or maintenance of one or more (1) positions or contracts in securities, options, futures, derivatives or foreign exchange; (2) stock loan transactions; or (3) other instruments or arrangements (howsoever described) (collectively, the **Hedge Position**) by which the Issuer or any affiliate of Macquarie Group (any one of them, the **Hedging Party**) directly or indirectly hedges, funds, maintains, or otherwise ensures, the performance of any obligations or the generation of any profit or return

contemplated in or connected to the "C" Preference Shares and/or the Reference Security (as applicable);

- 1.66 **Illegality Event** has the meanings specified in Condition 13.5;
- 1.67 **Illegality Notification Date** has the meanings specified in Condition 13.5.2;
- 1.68 **Income Tax Act** means the Income Tax Act, 1962, of South Africa;
- 1.69 **Income Tax Amount** means in respect of a breach of the Specified Warranties by the Issuer in relation to any "C" Preference Share, an amount equal to the income tax incurred or payable by the "C" Preference Shareholder evidenced in accordance with Condition 8.3.2;
- 1.70 **Individual Certificate** means a single certificate (in definitive registered form without dividend coupons issued), representing "C" Preference Shares for which a Beneficial Interest has been exchanged in accordance with Condition 16.1;
- 1.71 **Issue Date** means, in relation to a Tranche of "C" Preference Shares, the date specified as such in the Applicable Pricing Supplement;
- 1.72 **Issue Price** means, in relation to a Tranche of "C" Preference Shares, the price specified as such in the Applicable Pricing Supplement;
- 1.73 **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;
- 1.74 **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;
- 1.75 **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;
- 1.76 **JSE Guarantee Fund Trust** means the JSE Guarantee Fund established and operated by the trustees of the JSE Guarantee Fund Trust and, as at the Supplement Date, operated as a separate guarantee fund in terms of the JSE Rules, or any successor fund;
- 1.77 **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;
- 1.78 **Last Day to Register** means, in relation to a Tranche of "C" Preference Shares, the sixth day (or such other day as is specified in the Applicable Pricing Supplement) preceding each Scheduled "C" Preference Dividend 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 "C" Preference Shares in that Tranche represented by Individual Certificate(s);
- 1.79 **Legal Counsel** means a senior counsel who has provided written advice to the Issuer or Preference Shareholder (as the case may be) in the 5 years preceding the Issue Date and who has at least 10 years standing in his tax area of expertise;

- 1.80 **List Date** means the date on which a new Tranche and/or Class of "C" Preference Shares is listed on the Main Board of the JSE;
- 1.81 **Last Date of Trade** means the last Business Day to trade in a "C" Preference Share in order to settle by the Record Date to qualify a "C" Preference Shareholder for the payment by the Issuer of a "C" Preference Dividend. For the avoidance of doubt all trades done in respect of a "C" Preference Share on the Main Board of the JSE from commencement of trade on the Last Day to Register plus one Business Day will be excluding entitlements to a "C" Preference Dividend that has accrued and been declared prior to the Last Date of Trade;
- 1.82 **Macquarie Group and Group** means the Guarantor and its Subsidiaries;
- 1.83 **MOI** means the Memorandum of Incorporation of the Issuer;
- 1.84 **Notes** means the unsecured notes or other similar instruments of any kind issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
- 1.85 **Note Holder** means the holder of any Notes issued by the Issuer under the Programme from time to time;
- 1.86 **Other Preference Shares** means any class "A" or "B" preference shares of the Issuer issued prior to the Programme Supplement Date;
- 1.87 **Other Shares** means any shares of any class of the Issuer other than the "C" Preference Shares and the Other Preference Shares;
- 1.88 **Outstanding "C" Preference Share Obligations** means, at any time and without double counting, an amount equal to the aggregate of:
- 1.88.1 the Issue Price of each Unredeemed "C" Preference Share at that time;
- 1.88.2 the "C" Preference Dividends at that time;
- 1.88.3 the Accumulated "C" Preference Dividends at that time; and
- 1.88.4 any other amount due and payable and unpaid by the Issuer in accordance with the "C" Preference Share Terms at that time;
- 1.89 **Outstanding Nominal Amount** means "*Outstanding Nominal Amount*" as defined in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*";
- 1.90 **Outstanding Redemption Amount** means, in relation to any unredeemed "C" Preference Share, the Issue Price of that "C" Preference Share less any Capital Return which has been paid (if any) in respect of that "C" Preference Share;
- 1.91 **Participant** means a Person accepted by the CSD as a participant in terms of the Securities Services Act;
- 1.92 **Pay Date** means the date on which the "C" Preference Dividends will be paid or posted by the Issuer in respect of the "C" Preference Shares;
- 1.93 **Paying Agent** means the Issuer, unless the Issuer elects to appoint another entity as Paying Agent in respect of the "C" Preference Shares, in which event that other entity will act as Paying Agent in respect of the relevant Class or Tranche of "C" Preference Shares;

- 1.94 **Penalty "C" Preference Dividends** means the preferential cash dividends which are payable in respect of the "C" Preference Shares in accordance with Condition 8.2;
- 1.95 **Penalty "C" Preference Dividend Date** means each date on which the Issuer is obliged to pay a Penalty "C" Preference Dividend in accordance with Condition 8.2.3;
- 1.96 **Penalty "C" Preference Dividend Rate** means the dividend rate applicable to the calculation of the Penalty "C" Preference Dividends as specified in the Applicable Pricing Supplement;
- 1.97 **Person** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of state or other entity, whether or not having separate legal personality;
- 1.98 **Programme** means the Macquarie Securities South Africa Proprietary Limited ZAR5,000,000,000.00 Debt Instrument Programme under which the Issuer may issue Notes and "C" Preference Shares from time to time;
- 1.99 **Programme Amount** means the maximum aggregate Outstanding Nominal Amount of all of the Notes and Outstanding Redemption Amount of all of the "C" Preference Shares that may be issued under the Programme at any one point in time, being as at the Programme Supplement Date, ZAR5,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures and Applicable Laws, as set out in the section of this Programme Memorandum headed "*General Description of the Programme*";
- 1.100 **Programme Memorandum** means the document so entitled in respect of the Programme dated 17 May 2012 (as amended), read with the supplement to the Programme Memorandum dated 25 June 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 the Programme Memorandum 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.
- 1.101 **Programme Supplement Date** means 14 December 2012;
- 1.102 **R, Rand or ZAR** means the lawful currency of South Africa;
- 1.103 **Record Date** means the date on which the holdings of a "C" Preference Shareholder, upon which the entitlement to receive payment of "C" Preference Dividends are based are ascertained which (i) is one settlement period after the Last Day to Trade and (ii) must be on a Friday or, if Friday is a public holiday, the Last Trading Day of the JSE of the week;
- 1.104 **Reference Banks** means four leading banks in the South African inter-bank market selected (unless otherwise specified in the "C" Preference Share Terms and Conditions) by the Calculation Agent;
- 1.105 **Reference Level** means, in relation to Equity Linked "C" Preference Shares, the Reference Level specified as such in the Applicable Pricing Supplement;
- 1.106 **Reference Rate** means, if applicable to a Tranche of "C" Preference Shares, the rate specified as such in the Applicable Pricing Supplement;
- 1.107 **Reference Security** means, in relation to Equity Linked "C" Preference Shares, the Reference Security specified as such in the Applicable Pricing Supplement;

- 1.108 **Reference Security Delisting** means, with respect to a listed Reference Security and to the extent specified in the corresponding Applicable Pricing Supplement, an event in terms of which the Reference Security ceases to be listed, traded or publicly quoted on the Relevant Stock Exchange pursuant to the rules of such Relevant Stock Exchange for any reason and are not re-listed, re-traded or requoted on the Relevant Stock Exchange or some other exchange within South Africa within 10 Business Days of the occurrence of such event;
- 1.109 **Register** means the register of "C" Preference Shareholders maintained by the Transfer Agent in terms of Condition 17;
- 1.110 **Registered "C" Preference Share** means a "C" Preference Share issued in registered uncertificated form, registered in the Register in the name of the "C" Preference Shareholder thereof, and transferable in accordance with Condition 18.2;
- 1.111 **Registrar of Securities Services** means the Registrar of Securities Services designated under the Securities Services Act;
- 1.112 **Relevant Stock Exchange** means, if applicable to a Tranche of "C" Preference Shares, the Main Board 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;
- 1.113 **SENS** means the Stock Exchange News Service;
- 1.114 **Scheduled "C" Preference Dividends** means the preferential cash dividends which are payable in respect of the "C" Preference Shares in accordance with Condition 8.1;
- 1.115 **Scheduled "C" Preference Dividend Date** means each date upon which the Issuer will pay a Scheduled "C" Preference Dividend in respect of that Tranche of "C" Preference Shares as specified in the Applicable Pricing Supplement;
- 1.116 **Scheduled "C" Preference Dividend Rate** means the dividend rate applicable to the calculation of the Scheduled "C" Preference Dividends as specified in the Applicable Pricing Supplement;
- 1.117 **Scheduled "C" Preference Dividend Period** means the dividend period applicable to the calculation of the Scheduled "C" Preference Dividends as specified in the Applicable Pricing Supplement;
- 1.118 **Solvency and Liquidity Test** means the "*solvency and liquidity test*" contemplated in section 4(1) of the Companies Act;
- 1.119 **South Africa** means the Republic of South Africa;
- 1.120 **Specified Warranties** means, in relation to the "Tax Gross-Up" provisions in Condition 8.3, the warranties specified as such in the Applicable Pricing Supplement;
- 1.121 **Specified Currency** means, in relation to each "C" Preference Share in a Tranche of "C" Preference Shares, subject to all Applicable Laws, the currency specified as such in the Applicable Pricing Supplement;
- 1.122 **Specified Denomination** means, in relation to each "C" Preference Share in a Tranche of "C" Preference Shares, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000;

- 1.123 **Specified Minimum Investment** means such minimum number of "C" Preference Shares as is equal or greater, when aggregating the Issue Price of such "C" Preference Shares, to a total acquisition cost for any single "C" Preference Shareholder of ZAR1,000,000 on the Issue Date (or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act);
- 1.124 **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 "C" Preference Shareholders in accordance with Condition 20;
- 1.125 **STT** means securities transfer tax levied under the Securities Transfer Tax Act, 2007;
- 1.126 **Subsidiary** means *subsidiary* as defined in the Companies Act;
- 1.127 **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;
- 1.128 **Tax Practitioner** means a tax practitioner who has provided written advice to the Issuer or Preference Shareholder (as the case may be) in the 5 years preceding the Issue Date and who has at least 10 years standing in his tax area of expertise;
- 1.129 **Tranche** means those "C" Preference Shares which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;
- 1.130 **Transfer Agent** means the Issuer, unless the Issuer elects to appoint another entity as a Transfer Agent in respect of the "C" Preference Shares, in which event that other entity shall act as an Transfer Agent in respect of the "C" Preference Shares;
- 1.131 **Transfer Form** means the written form for the transfer of a "C" Preference Share represented by an Individual Certificate, in the usual form or in such form as is approved by the Transfer Agent;
- 1.132 **VAT Act** means the Value-Added Tax Act, 1991, of South Africa;
- 1.133 **Unredeemed "C" Preference Shares** means, at any time, any "C" Preference Shares which have not been redeemed by the Issuer at that time in accordance with the "C" Preference Shares Terms.

2. INTERPRETATION

- 2.1 In the "C" Preference Share Terms and Conditions:
- 2.1.1 if an expression is stated in Condition 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 "C" Preference Shares;
- 2.1.2 any reference to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Supplement Date and as amended, re-enacted or replaced and substituted from time to time;

- 2.1.3 any reference to "Currency" or "currency" means the lawful currency from time to time of South Africa.
- 2.2 Unless inconsistent with the context or save where the contrary is expressly specified in the "C" Preference Share Terms and Conditions:
- 2.2.1 references to any Condition are to that Condition of the "C" Preference Share Terms and Conditions;
- 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;
- 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;
- 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; and
- 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.
- 2.3 If any provision in a definition in the "C" Preference Share 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 "C" Preference Share Terms and Conditions.
- 2.4 Headings and sub-headings in the "C" Preference Share Terms and Conditions are inserted for convenience only.
- 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 "C" Preference Share Terms and Conditions.
- 2.6 The *contra proferentem* rule shall not be applied in the interpretation of the "C" Preference Share Terms and Conditions.

3. ISSUE

3.1 Issue of "C" Preference Shares

- 3.1.1 The Issuer may, at any time and from time to time (without the consent of any "C" Preference Shareholder, holder of Other Preference Shares or holder of Other Shares), 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 "C" Preference Shares pursuant to the Programme; provided that the aggregate Outstanding Nominal Amount of all of the Notes and the Outstanding Redemption Amount of all the "C" Preference Shares issued under the Programme from time to time does not exceed the Programme Amount.

- 3.1.2 "C" Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of "C" Preference Shares. A Tranche of "C" Preference Shares will be issued on, and subject to, the "C" Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of "C" Preference Shares set out in the Applicable Pricing Supplement relating to that Tranche of "C" Preference Shares.
- 3.1.3 A Tranche of "C" Preference Shares may comprise, without limitation, Fixed Rate "C" Preference Shares, Floating Rate "C" Preference Shares and/or such other type of "C" Preference Shares as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. References in the "C" Preference Share Terms and Conditions to a "Tranche of "C" Preference Shares" and "C" Preference Shares" are to the type of "C" Preference Shares specified in the relevant Applicable Pricing Supplement. For the avoidance of doubt, where certain of the "C" Preference Share Terms and Conditions are expressed to apply only to certain types of "C" Preference Shares, such "C" Preference Share Terms and Conditions shall only apply to that type of "C" Preference Shares, as specified in the relevant Applicable Pricing Supplement, and shall not apply to any other type of "C" Preference Shares.
- 3.1.4 The applicable "C" Preference Share Terms and Conditions of a Tranche of "C" Preference Shares are incorporated by reference into the Individual Certificate(s) (if any) representing any of the "C" Preference Shares in that Tranche. The Applicable Pricing Supplement relating to any "C" Preference Shares in a Tranche which are represented by Individual Certificate(s) will be attached to such Individual Certificate(s).

3.2 Waiver of Pre-emptive Rights

By subscribing for any "C" Preference Shares pursuant to the "C" Preference Share Terms and Conditions, read with the relevant Applicable Pricing Supplement, each "C" Preference Shareholder waives any and all rights that it may have pursuant to section 39(2) of the Companies Act to have the Issuer offer to such "C" Preference Shareholder, and for the "C" Preference Shareholder to subscribe for, any of the "C" Preference Shares proposed to be issued by the Issuer as a new Tranche and/or Class of "C" Preference Shares.

4. FORM AND DENOMINATION

4.1 General

- 4.1.1 All payments in relation to the "C" Preference Shares will be made in the Specified Currency. The denomination of each "C" Preference Share will be the Specified Denomination. The "C" Preference Shares will be issued with a minimum Specified Denomination of ZAR1,000,000.
- 4.1.2 Holders of "C" Preference Shares will be required to subscribe for the Specified Minimum Investment on each Issue Date, and shall for the avoidance of doubt, not be entitled to offer to subscribe or subscribe for an amount of "C" Preference Shares that in aggregate amounts to an acquisition cost of less than the Specified Minimum Investment on such Issue Date.
- 4.1.3 A Tranche of Registered "C" Preference Shares may be listed on the Relevant Stock Exchange. Unlisted "C" Preference Shares may also be issued under the Programme. Unlisted "C" Preference Shares are not regulated by the Relevant Stock Exchange. The Applicable Pricing Supplement will specify whether or not a Tranche of "C" Preference Shares will be listed.
- 4.1.4 The holders of "C" Preference Shares that are not listed on the Relevant Stock Exchange will have no recourse against the Relevant Stock Exchange and/or the JSE Guarantee Fund Trust. Claims against the JSE Guarantee Fund Trust may only be made in respect of the trading of "C"

Preference Shares listed on the Relevant Stock Exchange and in accordance with the rules of the JSE Guarantee Fund Trust.

4.2 Registered "C" Preference Shares

4.2.1 "C" Preference Shares issued in uncertificated form

Each Tranche of "C" Preference Shares which is listed on the Relevant Stock Exchange and each Tranche of unlisted "C" Preference Shares will be issued in registered uncertificated form in terms of section 37 of the Securities Services Act, and will be held in the CSD. "C" Preference Shares issued in uncertificated form will not be represented by any certificate or written instrument.

4.2.2 Beneficial Interests in "C" Preference Shares held in the CSD

All "C" Preference Shares 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 "C" Preference Shares 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 "C" Preference Shares.

4.2.3 "C" Preference Shares represented by Individual Certificates

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for "C" Preference Shares represented by an Individual Certificate in accordance with Condition 16.1.

4.2.4 "C" Preference Shares

Each Tranche of "C" Preference Shares will, subject to Condition 25:

- 4.2.4.1 be redeemable and be issued with a Final Redemption Date which falls more than three years plus one day after the Issue Date, as indicated in the Applicable Pricing Supplement;
- 4.2.4.2 be issued in accordance with the Companies Act and the memorandum and articles of association of the Issuer;
- 4.2.4.3 be issued at the Issue Price specified in the Applicable Pricing Supplement, which shall not be less than the Specified Denomination;
- 4.2.4.4 be cumulative "C" Preference Shares unless otherwise specified in the Applicable Pricing Supplement; and
- 4.2.4.5 have the status set out in Condition 6.

5. TITLE

5.1 "C" Preference Shares issued in uncertificated form

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

5.2 Beneficial Interests in "C" Preference Shares held in the CSD

- 5.2.1 While a Tranche of "C" Preference Shares is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole "C" Preference Shareholder of the "C" Preference Shares in that Tranche.

- 5.2.2 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.
- 5.2.3 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 "C" Preference Shares held by them in the CSD only through their Participants.
- 5.2.4 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 number of "C" Preference Shares, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate number of such "C" Preference Shares and the aggregate Issue Price 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 "C" Preference Shares 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 number of such "C" Preference Shares for all purposes.
- 5.2.5 Beneficial Interests in "C" Preference Shares 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 "C" Preference Shares, notwithstanding such transfers.
- 5.2.6 Any reference in the "C" Preference Share 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.

5.3 **"C" Preference Shares represented by Individual Certificates**

- 5.3.1 Each holder of "C" Preference Shares represented by an Individual Certificate will be named in the Register as the registered holder of such "C" Preference Shares.
- 5.3.2 Title to "C" Preference Shares represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 18.1.

5.4 **Register**

The Issuer, the Transfer Agent and the Paying Agent shall recognise a "C" Preference Shareholder as the sole and absolute owner of the "C" Preference Shares registered in that "C" Preference Shareholder'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 "C" Preference Share may be subject.

6. **STATUS OF "C" PREFERENCE SHARES**

- 6.1 Unless otherwise specified in the Applicable Pricing Supplement, the "C" Preference Shares rank:
 - 6.1.1 equally among themselves and the Other Preference Shares with respect to:

- 6.1.1.1 the payment of dividends by the Issuer; and
- 6.1.1.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise;
- 6.1.2 in priority to the rights of all Other Shares with respect to:
 - 6.1.2.1 the payment of dividends by the Issuer; and
 - 6.1.2.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise.
- 6.1.3 below all claims in respect of any secured or unsecured Financial Indebtedness of the Issuer.
- 6.2 The "C" Preference Shares do not confer on the "C" Preference Shareholders the right to participate in the profits or assets of the Issuer except as set out in the "C" Preference Share Terms.
- 6.3 In the event of the liquidation, dissolution or winding-up of the Issuer:
 - 6.3.1 each "C" Preference Share shall have associated with it the right of the "C" Preference Shareholder to receive, in priority to the rights of all Other Shares but *pari passu* with each other "C" Preference Share and each Other Preference Share, a return of capital in an amount equal to the Outstanding "C" Preference Share Obligations in respect of such "C" Preference Share calculated on the date on which payment of that return of capital is made by the Issuer to the holder of such "C" Preference Share; and
 - 6.3.2 the claims of the "C" Preference Shareholders shall be subordinated to, and rank in priority of payment below, all claims in respect of any Financial Indebtedness of the Issuer. In any such event, and provided as aforesaid, no amount shall be payable to any "C" Preference Shareholders entitled to be paid amounts due in respect of the "C" Preference Shares until all Financial Indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or judicial management has been paid or discharged in full.

7. GUARANTEE AND STIPULATION FOR THE BENEFIT OF THE "C" PREFERENCE SHAREHOLDERS

- 7.1 The Guarantor has, subject to and in accordance with the terms of the "C" Preference Share Guarantee, irrevocably and unconditionally guaranteed to the "C" Preference Shareholders, the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the "C" Preference Shares and the applicable "C" Preference Share Terms and Conditions.
- 7.2 The original signed "C" Preference Share Guarantee will be deposited with and held by the Issuer, at its Specified Office, for and on behalf of the "C" Preference Shareholders, until the later of:
 - 7.2.1 the date on which the Programme is terminated by the Issuer; and
 - 7.2.2 the date on which all the obligations of the Issuer under or in respect of the "C" Preference Shares have been discharged in full.
- 7.3 The provisions of the "C" Preference Share Guarantee which confer benefits on a "C" Preference Shareholder constitute stipulations for the benefit of that "C" Preference Shareholder, and that "C" Preference Shareholder, upon its subscription for "C" Preference Shares and the issue of "C"

Preference Shares to it, or upon the transfer of "C" Preference Shares 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 "C" Preference Share Guarantee (if any) which impose obligations and/or restrictions on that "C" Preference Shareholder.

8. DIVIDEND RIGHTS OF THE "C" PREFERENCE SHARES

Each Tranche of "C" Preference Shares will confer on the "C" Preference Shareholders of that Tranche of "C" Preference Shares a right to receive out of the profits of the Issuer a preference dividend (which shall be cumulative unless otherwise specified in the Applicable Pricing Supplement), determined and payable in accordance with this Condition 8.

8.1 Scheduled "C" Preference Dividends

- 8.1.1 Unless otherwise specified in the Applicable Pricing Supplement, in respect of each Scheduled "C" Preference Dividend Date, the Issuer shall declare and pay the Scheduled "C" Preference Dividend in respect of each "C" Preference Share on the "C" Preference Dividend Date, which shall be calculated by the Calculation Agent in accordance with the following formula:

$$A = (B \times C \times D) / 365$$

in which formula –

A represents the amount of the Scheduled "C" Preference Dividend to be determined;

B represents the Scheduled "C" Preference Dividend Rate;

C represents the number of days in the Scheduled "C" Preference Dividend Period (as adjusted in accordance with the relevant Business Day Convention); and

D represents the Issue Price,

provided that the amount of the Scheduled "C" Preference Dividend shall be adjusted by the Calculation Agent on a *pro rata* basis in the event that (i) any reduction of capital occurs in relation to the "C" Preference Share; and/or (ii) a change in the Scheduled "C" Preference Dividend Rate occurs (if applicable), in each case, before the end of the relevant Scheduled "C" Preference Dividend Period.

8.2 Penalty "C" Preference Dividends

- 8.2.1 If the Issuer fails to pay a Scheduled "C" Preference Dividend on the relevant Dividend Payment Date, the Issuer shall, in addition to the unpaid Scheduled "C" Preference Dividend, declare and pay the Penalty "C" Preference Dividend to the "C" Preference Shareholder on the Penalty "C" Preference Dividend Date.

- 8.2.2 Unless otherwise specified in the Applicable Pricing Supplement, in respect of each Penalty "C" Preference Dividend payable by the Issuer in respect of any "C" Preference Share shall be calculated by the Calculation Agent in accordance with the following formula:

$$A = (B \times C \times D) / 365$$

in which formula –

A represents the amount of the Penalty "C" Preference Dividend to be determined;

B represents the Penalty "C" Preference Dividend Rate;

C represents the number of days comprising the period commencing on (and including) the relevant Scheduled "C" Preference Dividend Date to (but excluding) the earlier of the date of

payment of the relevant unpaid Scheduled "C" Preference Dividend or the Applicable Redemption Date; and

D represents the unpaid amount of the Scheduled "C" Preference Dividend,

provided that the amount of the Penalty "C" Preference Dividend shall be adjusted by the Calculation Agent on a *pro rata* basis in the event that a change in the Penalty "C" Preference Dividend Rate occurs (if applicable) before the earlier of the date of payment of the relevant unpaid Scheduled "C" Preference Dividend or the Applicable Redemption Date.

8.2.3 The Issuer shall be obliged to pay each Penalty "C" Preference Dividend as follows:

8.2.3.1 while any Unredeemed "C" Preference Share that has not been redeemed on its Applicable Redemption Date in respect of which that Penalty "C" Preference Dividend is calculated is unpaid or unredeemed, as the case may be, on the last day of the period referred to in the definition of variable "**C**" in Condition 8.2.2; and/or

8.2.3.2 upon the redemption of the "C" Preference Share in respect of which that Penalty "C" Preference Dividend is calculated, that Penalty "C" Preference Dividend shall be paid by the Issuer to the "C" Preference Shareholder entitled thereto on the date on which that "C" Preference Share is redeemed in full.

8.3 Tax Gross-Up, Additional "C" Preference Dividends and Additional Amounts

8.3.1 In respect of any "C" Preference Share and subject to Condition 8.3.3, should a material breach of any of the Specified Warranties occur and as a direct result of such breach the "C" Preference Shareholder is required to pay an amount of South African income tax on any "C" Preference Dividend, the Issuer shall be obliged to pay to the affected "C" Preference Shareholder within 15 Business Days of the satisfaction of the conditions set out in Condition 8.3.2 (the **Additional "C" Preference Dividend Date**) either:

8.3.1.1 a cash dividend amount equal to the Income Tax Amount (the **Additional "C" Preference Dividend**); or

8.3.1.2 an amount of cash (which is not a dividend) equal to the Gross Up Amount (the **Additional Amount**).

8.3.2 The Issuer shall not be obliged to make any payments pursuant to Condition 8.3.1 unless the "C" Preference Shareholder, together with written notice specifying the breach of the relevant Specified Warranty, (i) delivers to the Issuer a true copy of the judgment of the Court determining the relevant Income Tax Amount to be payable or (ii) prior to the commencement of any formal Court proceedings in connection with the relevant Income Tax Amount, the "C" Preference Shareholder institutes and fully complies with the Counsel Process.

8.3.3 Notwithstanding anything to the contrary contained in the "C" Preference Share Terms:

8.3.3.1 this Condition 8.3.3 shall survive the redemption of the relevant "C" Preference Share provided that the Issuer shall not be liable to pay any portion of the Additional "C" Preference Dividend or the Additional Amount that is determined with reference to a "C" Preference Dividend paid more than 4 (four) years prior to the fulfilment of the conditions set out in Condition 8.3.2; and

8.3.3.2 the benefit of Condition 8.3.1 shall accrue to a "C" Preference Shareholder that is a CIS on the following terms:

- 8.3.3.2.1 for purposes of determining whether an amount of South African income tax on any "C" Preference Share Dividend is payable (as contemplated in Condition 8.3.1), and for purposes of determining the Income Tax Amount (as contemplated by Condition 1.69), the term "C" Preference Shareholder shall be construed to include holders of participatory interests in the CIS (the **Beneficiary**) provided that the Beneficiary shall be deemed to be a company incorporated under the Companies Act and a tax resident in South Africa for purposes of such determination; and
- 8.3.3.2.2 for purposes of satisfying the conditions set out in Condition 8.3.2, the CIS (and not the Beneficiary) shall be entitled to deliver written notice specifying the breach of the relevant Escaped Warranty and shall (i) deliver to the Issuer a true copy of the relevant judgment of the Court determining the relevant Income Tax Amount to be payable by any Beneficiary or (ii) prior to the commencement of any formal Court proceedings in connection with the relevant Income Tax Amount, institute and fully comply with the Counsel Process;
- 8.3.3.2.3 for purposes of Condition 8.3.1, the Issuer shall only be required to make an Additional "C" Preference Dividend or Additional Amount (as the case may be) pursuant to a claim by the CIS under Condition 8.3.1, as the "C" Preference Shareholder, and not, for the avoidance of doubt, to the Beneficiary directly.
- 8.3.4 Any amounts that become due and payable in accordance with Condition 8.3.1 and are not paid by the Issuer shall accrue interest at the Reference Rate plus 2% calculated on a daily basis from the due date of each such overdue amount to date of payment thereof and shall be compounded monthly in arrears and shall be payable by the Issuer on written demand provided that, where a Penalty "C" Preference Dividend is accruing on such unpaid amount then interest (as contemplated by this Condition 8.3.4) shall not accrue.

8.4 **Accumulated "C" Preference Dividends**

- 8.4.1 The "C" Preference Dividends are cumulative and to the extent that all or any part of a "C" Preference Dividend has accrued or has become payable in accordance with these "C" Preference Share Terms, the Issuer shall be liable to pay, and the "C" Preference Shareholders shall be entitled to be paid, by no later than the Applicable Redemption Date all "C" Preference Dividends that have accrued or become payable in relation to the "C" Preference Shares in accordance with these "C" Preference Share Terms and which have not been paid on the applicable Dividend Payment Dates (**Accumulated "C" Preference Dividends**).
- 8.4.2 Failure to satisfy the requirements of section 46 of the Companies Act at any time when any "C" Preference Dividend is due to be paid under the "C" Preference Share Terms shall not relieve the Issuer of its obligation to pay such "C" Preference Dividend at any time when it is lawfully able to do so.

8.5 **Business Day Convention**

If any Dividend Payment Date is not a Business Day, then:

- 8.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such Dividend Payment Date shall be the immediately succeeding Business Day;
- 8.5.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such Dividend Payment Date shall be adjusted according to such Business Day Convention.

8.6 Payment of "C" Preference Dividends

- 8.6.1 Each "C" Preference Dividend is due and payable and shall be paid on its Dividend Payment Date in accordance with the provisions of Condition 15.
- 8.6.2 The Issuer and the Board shall each comply with the requirements of section 46 of the Companies Act in respect of the payment of each "C" Preference Dividend.
- 8.6.3 The Issuer shall, on or before each Dividend Payment Date, apply the Solvency and Liquidity Test and if the Board is reasonably satisfied that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying the relevant "C" Preference Dividends:
 - 8.6.3.1 the Board shall pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and has reasonably concluded that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying the relevant "C" Preference Dividends; and
 - 8.6.3.2 the Issuer shall pay the relevant "C" Preference Dividends on such Dividend Payment Date.

9. ADJUSTMENT EVENTS ("C" Preference Shareholder)

Where "*Adjustment Events ("C" Preference Shareholder)*" is specified in the Applicable Pricing Supplement to be applicable to a Tranche of "C" Preference Shares, then:

- 9.1 if at any time after the Issue Date, any Adjustment Event ("C" Preference Shareholder) occurs in relation to a "C" Preference Shareholder (each, an **Affected "C" Preference Shareholder**), then such Affected "C" Preference Shareholder shall be entitled, by delivering a written notice (each, an **Adjustment Notice**) to the Issuer, to require the Issuer to increase the Scheduled "C" Preference Dividend Rate (the **Increased Dividend Rate**), with effect from the date specified in the Adjustment Notice (which may be a date earlier than the date of the Adjustment Notice), by such a margin specified by the Affected "C" Preference Shareholder in the Adjustment Notice; and
- 9.2 the Issuer shall be entitled to redeem the relevant "C" Preference Shares in accordance with Condition 13.4 (if applicable) or shall otherwise be obliged to comply with the Adjustment Notice (unless otherwise agreed between the Affected "C" Preference Shareholder and the Issuer).
- 9.3 notwithstanding anything to the contrary contained in the "C" Preference Share Terms, the benefit of Condition 9.1 shall accrue to a "C" Preference Shareholder that is a CIS on the following terms:
 - 9.3.1 for purposes of determining whether an Adjustment Event has occurred (as contemplated by Condition 1.7), the term "C" Preference Shareholder shall be construed to include the Beneficiary (being the holder of the participatory interest in the CIS);
 - 9.3.2 for purposes of determining the Increased Dividend Rate (as contemplated by Condition 9.1), the Beneficiary to which the Adjustment Event relates shall be deemed to be a company incorporated under the Companies Act and a tax resident in South Africa for purposes of such determination; and
 - 9.3.3 the CIS, as "C" Preference Shareholder, shall be entitled to deliver an Adjustment Notice as contemplated by Condition 9.1 (and, for the avoidance of doubt, the Beneficiary shall not be so entitled).

10. EQUITY LINKED "C" PREFERENCE SHARES

10.1 Extraordinary Event Adjustment

- 10.1.1 To the extent that "Extraordinary Event Adjustment (Equity Linked "C" Preference Shares)" is specified to be applicable in the Applicable Pricing Supplement in relation to an Equity Linked "C" Preference Share, then this Condition 10.1 will apply.
- 10.1.2 Within 15 Business Days of the occurrence of an Extraordinary Event (and subject to any applicable Extraordinary Event Adjustment Dispute Resolution provisions set out in Condition 10.2.1), the Issuer may, at its election (but to the exclusion of any of its rights (if any) to redeem the relevant "C" Preference Share under the "C" Preference Share Terms and Conditions), direct the Calculation Agent to:
- 10.1.2.1 make such adjustment to the Reference Level as is necessary to take account of the economic effect on the Equity Linked "C" Preference Shares of such Extraordinary Event and in determining such economic effect the Calculation Agent shall consider such factors as it, acting reasonably, considers relevant which may include but not be limited to changes in the liquidity and volatility of the Reference Security (or new securities in the event that the Reference Security are replaced as a result of the Extraordinary Event); and
- 10.1.2.2 determine the effective date of that adjustment in consultation with the Issuer (which is to be notified to the "C" Preference Shareholders by the Issuer).

10.2 Dispute of Extraordinary Event Adjustment

- 10.2.1 To the extent that "*Dispute Resolution (Extraordinary Event Adjustment)*" is specified to be applicable in the Applicable Pricing Supplement in relation to an Equity Linked "C" Preference Share, then this Condition 10.2 will apply.
- 10.2.2 Any "C" Preference Shareholder shall be entitled to challenge the election made by the Issuer pursuant to Condition 10.1.2 or an adjustment made or the effective date determined by the Calculation Agent pursuant to an Extraordinary Event Adjustment (the **Adjustment Decision**) by issuing a notice (the **Dispute Notice**) setting out the basis of the dispute and proposing an appropriate adjustment and/or effective date (the **Alternative Proposal**).
- 10.2.3 The Dispute Notice shall be delivered to the Calculation Agent (and the Issuer) within 3 (three) Business Days of the receipt by the "C" Preference Shareholder of the publication of the Adjustment Decision and if the Calculation Agent does not accept the Alternative Proposal within 1 (one) business day of receipt of the Dispute Notice, the Calculation Agent shall notify the "C" Preference Shareholder (the **Referral Notice**) and thereafter refer both the Adjustment Decision and the Alternative Proposal to an independent expert mutually agreed between the parties without delay.
- 10.2.4 If the parties have not appointed an independent expert within 2 (two) business days of receipt of the Referral Notice by the "C" Preference Shareholder, the Issuer shall request the managing partner of Price Waterhouse Coopers to make the appointment of an expert without delay. The expert shall in his absolute discretion determine whether the Adjustment Decision or the Alternative Proposal shall be adopted and which party shall bear the costs of the determination and the expert's determination shall be final and binding on the parties and subject to no appeal or review, save in the case of manifest error or fraud.

11. REPRESENTATION AND WARRANTIES

The Issuer makes the representations and warranties set out in this Condition to each "C" Preference Shareholder on the Issue Date of each "C" Preference Share held by such "C" Preference Shareholder, each Dividend Payment Date in respect of each "C" Preference Share held by such "C" Preference Shareholder and each Applicable Redemption Date of each "C" Preference Share held by such "C" Preference Shareholder:

- 11.1 it has the power to issue the "C" Preference Shares in accordance with the "C" Preference Share Terms and to fulfil, comply with and perform its obligations in terms of the "C" Preference Share Terms;
- 11.2 the issue of the "C" Preference Shares does not contravene any Applicable Law to which it is subject; or conflict with any provision of the MOI; and
- 11.3 any other additional representations and/or warranties specified in the Applicable Pricing Supplement.

12. UNDERTAKINGS

The Issuer undertakes to each "C" Preference Shareholder until the Discharge Date not to issue any shares ranking in priority to the "C" Preference Shares and to comply with any other additional undertakings specified in the Applicable Pricing Supplement.

13. REDEMPTION AND PURCHASE

13.1 Final Redemption Date

Each "C" Preference Share will, subject to the "C" Preference Share Terms and Conditions and the Companies Act, be redeemed on the Final Redemption Date pursuant to Condition 13.6.

13.2 Voluntary Redemption

Where "*Voluntary Redemption (Issuer)*" is specified in the Applicable Pricing Supplement to be applicable to a Tranche of "C" Preference Shares, then:

- 13.2.1 if the "C" Preference Shareholder desires to have some or all of its "C" Preference Shares redeemed early, the "C" Preference Shareholder may deliver a written notice to the Issuer inviting the Issuer to voluntarily early redeem some or all of its "C" Preference Shares (the **Redemption Invitation**);
- 13.2.2 upon receipt of a Redemption Invitation, the Issuer shall advise the "C" Preference Shareholder of its election to voluntarily redeem all or some of the Unredeemed Preference Shares of such "C" Preference Shareholder by written notice (the **Voluntary Redemption Notice**), which it may give at any time, which Voluntary Redemption Notice shall set out:
 - 13.2.2.1 the number of Preference Shares to be redeemed; and
 - 13.2.2.2 the date on which such Preference Shares are to be redeemed (the **Voluntary Redemption Date**).
 - 13.2.2.3 For the avoidance of doubt, the Issuer shall not be obliged (but shall be entitled at its sole and absolute discretion) to redeem any of the Unredeemed Preference Shares upon receipt of a Redemption Invitation.

13.3 Early Redemption

- 13.3.1 If any Early Redemption Event occurs then, any "C" Preference Shareholder by written notice to the Issuer in accordance with Condition 20 (effective upon the date of receipt thereof by the Issuer), may require the Issuer to redeem all of the unredeemed "C" Preference Shares held by that "C" Preference Shareholder, at the Early Redemption Amount, together with accrued "C" Preference Dividends and any Additional Amounts plus interest accrued in respect of the Additional Amounts (if any) up to the Applicable Redemption Date.
- 13.3.2 If the Issuer delivers notice of a Early Redemption Event in respect of any Class of "C" Preference Shares, as contemplated in Condition 14.2, the Issuer shall be entitled (but not obliged) to redeem one or more of the unredeemed Class of "C" Preference Shares in respect of which the Early Redemption Event has occurred, at the Early Redemption Amount, together with accrued "C" Preference Share Dividends and any Additional Amounts plus interest accrued in respect of the Additional Amounts (if any) up to the Applicable Redemption Date.

13.4 Redemption following an Adjustment Event (Issuer)

- 13.4.1 If "*Adjustment Events (Issuer)*" is specified to be applicable in the Applicable Pricing Supplement, then one or more "C" Preference Shares in a Tranche or Tranches may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Dividend Payment Date, on giving 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 "C" Preference Shareholders in accordance with Condition 20, if:
- 13.4.1.1 any "C" Preference Shareholder has delivered an Adjustment Notice to the Issuer pursuant to Condition 9.1; or
- 13.4.1.2 the Issuer is of the reasonable opinion that any Adjustment Event (Issuer) has occurred.
- 13.4.2 From the date of publication of the notice to "C" Preference Shareholders of the redemption referred to in Condition 13.4.1, the Issuer shall make available at its Specified Office, for inspection by the relevant "C" Preference Shareholders (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 an Adjustment Event (Issuer) has occurred.
- 13.4.3 Notwithstanding anything else herein contained, a notice given in terms of Condition 9.1 or the occurrence of an Adjustment Event (Issuer) shall not create any obligation on the part of the Issuer to redeem the relevant "C" Preference Shares, nor create any right on the part of any "C" Preference Shareholder to require the Issuer to redeem the relevant "C" Preference Shares.

13.5 Illegality

If, at any time, it is or becomes illegal or unlawful for a "C" Preference Shareholder (the **Relevant "C" Preference Shareholder**) to hold the "C" Preference Shares it holds or to claim and recover all or any part of a "C" Preference Dividend or an Applicable Redemption Amount:

- 13.5.1 the Relevant "C" Preference Shareholder shall, promptly upon becoming aware of the same, notify the Issuer; and
- 13.5.2 if the Relevant "C" Preference Shareholder and the Issuer fail to remove or rectify such Illegality

Event (provided such Illegality Event is capable of being removed or rectified), or agree upon alternative acceptable provisions within 10 (ten) Business Days (or such longer period as the Parties may agree in the circumstances) of the date (**Illegality Notification Date**) on which the Relevant "C" Preference Shareholder notifies the Issuer of the Illegality Event, the Relevant "C" Preference Shareholder shall be entitled, by written notice to the Issuer, to require the Issuer to redeem all of the Relevant "C" Preference Shareholder's Unredeemed Preference Shares no earlier than 30 (thirty) Business Days (or such shorter period as may be required by Law) after the Illegality Notification Date for the aggregate Applicable Redemption Amount, together with accrued "C" Preference Dividends and any Additional Amounts plus any interest accrued in respect of the Additional Amounts the date of redemption or as specified in the Applicable Pricing Supplement, in respect of such Unredeemed "C" Preference Shares.

13.6 Procedure for Redemptions

13.6.1 Subject to the provisions of Applicable Law:

13.6.1.1 the Board shall, on or before the applicable Applicable Redemption Date, apply the Solvency and Liquidity Test and if the Board is reasonably satisfied that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying all unpaid "C" Preference Dividends and the aggregate Applicable Redemption Amount in respect of each "C" Preference Share being redeemed, the Board shall, on or before the applicable Applicable Redemption Date, pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and has reasonably concluded that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying all unpaid "C" Preference Dividends and the aggregate Applicable Redemption Amount in respect of each "C" Preference Share being redeemed; and

13.6.1.2 the Issuer shall, on:

13.6.1.2.1 the Early Redemption Date, redeem the relevant "C" Preference Shares for, and by paying, the aggregate Early Redemption Amount, together with accrued "C" Preference Share Dividends and any Additional Amounts plus interest accrued in respect of the Additional Amounts (if any) up to the date of early redemption; or

13.6.1.2.2 the Final Redemption Date, redeem the relevant "C" Preference Shares for, and by paying, the aggregate Final Redemption Amount, together with accrued "C" Preference Share Dividends and any Additional Amounts plus interest accrued in respect of the Additional Amounts (if any) up to the date of final redemption,

in respect of all of the "C" Preference Shares being redeemed within 5 (five) Business Days of the Applicable Redemption Date.

13.7 Returns of Capital

The Issuer and the respective "C" Preference Shareholder may agree and elect to effect a return of capital with regard to any "C" Preference Shares prior to the Applicable Redemption Date (each a **Capital Return**) by one party giving no less than 3 (three) Business Days written notice to the other party of its election to effect such a return of capital and the party receiving such notice recording its agreement in writing thereto prior to the Applicable Redemption Date.

13.8 Purchases

The Issuer or certain other entities within the Macquarie Group may, at any time, subject to the Companies Act, at any price in the open market or otherwise, purchase "C" Preference Shares. In

the event of the Issuer purchasing "C" Preference Shares, such "C" Preference Shares may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, cancelled, subject to the Companies Act. In the case of any of the other entities within the Macquarie Group making such purchase, such "C" Preference Shares may be held, resold or dealt with in terms of the "C" Preference Share Terms and Conditions.

13.9 Cancellation

All "C" Preference Shares which are redeemed will forthwith be cancelled. All "C" Preference Shares so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of "C" Preference Shares represented by an Individual Certificate are cancelled, the Transfer Agent shall deliver an Individual Certificate to such "C" Preference Shareholder in respect of the balance of the "C" Preference Shares.

13.10 "C" Preference Shares

Each "C" Preference Share will cease to bear dividends from the Applicable Redemption Date unless, upon due presentation thereof, payment of the Applicable Redemption Amount, or any portion thereof, due and payable on the Applicable Redemption Date or payment of dividends, or any portion thereof, due and payable on a Dividend Payment Date, as the case may be, is improperly withheld or refused or such payment may not, in terms of the Companies Act, be made. In circumstances where such non-payment does not constitute a Early Redemption Event contemplated in Condition 14, dividends will continue to accrue on the outstanding amount due and payable in respect of such "C" Preference Share, at the Dividend Rate, from and including the Applicable Redemption Date or the relevant Dividend Payment Date, as the case may be, to but excluding the date on which such amounts are paid.

13.11 Applicable Procedures

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

14. REDEMPTION EVENTS

14.1 An Early Redemption Event in respect of a "C" Preference Share will occur upon the happening of any of the following events:

- 14.1.1 (*non-payment*): the Issuer fails to declare and/or pay any amount due under the "C" Preference Shares on its due date for payment thereof and any such failure continues for a period of 5 (five) Business Days, after receiving written notice from any of the "C" Preference Shareholders demanding such payment; or
- 14.1.2 (*non-redemption*): the Issuer fails to for any reason whatsoever to redeem the "C" Preference Shares on the Applicable Redemption Date or pay the Applicable Redemption Amount per "C" Preference Share on the date on which such payment is to be made and such failure is not remedied within 5 (five) Business Days of receipt of written notice from any of the "C" Preference Shareholders calling upon the Issuer to remedy such failure; or
- 14.1.3 (*deregistration*): The Issuer is removed from the register of companies and such event is not remedied within 2 (two) Business Days of receipt of written notice from any of the "C" Preference Shareholder calling upon the Issuer to remedy such event; or
- 14.1.4 (*winding-up*): (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 the commencement of any business rescue proceeding in respect of the Issuer or (b) a resolution is passed providing for the Issuer to be wound-up or the commencement of any business rescue proceeding in respect of the Issuer, 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 "C" Preference Shares; or 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 "C" Preference Shareholders have the benefit of the same (or equivalent) "C" Preference Share Guarantee from the Guarantor (or its successor); or

- 14.1.5 (*insolvency*): 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 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
- 14.1.6 (*arrangement or composition*): 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 the Guarantor makes or enters into (a) a readjustment or rescheduling of its Financial 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
- 14.1.7 (*breach of warranties*): a breach of any representation, warranty or undertaking by the Issuer occurs and the Issuer fails to remedy such breach, by reference to the circumstances then existing, within 5 (five) Business Days of receipt of written notice from any of the "C" Preference Shareholders calling upon the Issuer to remedy such breach; or
- 14.1.8 (*any other event*): the occurrence of any other event specified as an Additional Early Redemption Event in the Applicable Pricing Supplement and, where such breach is capable of remedy the Issuer fails to remedy such breach within 5 (five) Business Days of receipt of written notice from any of the "C" Preference Shareholders calling upon the Issuer to remedy such breach.
- 14.2 The Issuer, upon becoming aware that any Early Redemption Event 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 relevant "C" Preference Shareholders and, if any "C" Preference Shares are listed on the Relevant Stock Exchange, to the Relevant Stock Exchange and the CSD.

14.3 In the event of a breach of a Specified Warranty only, the "C" Preference Shareholder's rights shall be limited to:

14.3.1 the enforcement of the "C" Preference Shareholder's rights in respect of an Early Redemption Event set out in Condition 13.2; and

14.3.2 a claim by the "C" Preference shareholder pursuant to Condition 8.3.

15. PAYMENTS

15.1 General

15.1.1 Only "C" Preference Shareholders 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 "C" Preference Shares.

15.1.2 All payments of all amounts (whether in respect of principal, dividends or otherwise) due and payable in respect of any "C" Preference Shares 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 15.

15.1.3 All references in this Condition 15 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.

15.2 Method of payment

15.2.1 The Paying Agent shall pay all amounts due and payable in respect of any Registered "C" Preference Shares:

15.2.1.1 in the case of "C" Preference Shares 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 "C" Preference Shareholder of such "C" Preference Shares, which in turn will transfer such funds, via the Participants, to the holders of Beneficial interests in such "C" Preference Shares;

15.2.1.2 in the case of "C" Preference Share(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 "C" Preference Shareholder of such "C" Preference Shares in the Register or, in the case of joint registered "C" Preference Shareholders, the bank account of the first one of them named in the Register in respect of such "C" Preference Shares; provided that if several persons are entered into the Register as joint registered "C" Preference Shareholders of such "C" Preference Shares then, without affecting the previous provisions of this Condition 15, 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 "C" Preference Shares.

15.2.2 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 15.2.1.1 or Condition 15.2.1.2, as the case may be, in accordance with Condition 15.2.1, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the "C"

Preference Shareholders under the relevant Registered "C" Preference Shares and the applicable "C" Preference Share Terms and Conditions.

15.3 Beneficial Interests

- 15.3.1 Following payment to the CSD's Nominee of amounts due and payable in respect of "C" Preference Shares which are held in the CSD pursuant to Condition 15.2.1.1, the relevant funds will be transferred by the CSD's Nominee, via the Participants, to the holders of Beneficial Interests in such "C" Preference Shares.
- 15.3.2 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 "C" Preference Shares, 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 "C" Preference Shareholder of such "C" Preference Shares.
- 15.3.3 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.
- 15.3.4 Payments of amounts due and payable in respect of Beneficial Interests in "C" Preference Shares will be recorded by the CSD's Nominee, as the registered holder of such "C" Preference Shares, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered "C" Preference Shareholder of such "C" Preference Shares, will be prima facie proof of such payments.

15.4 Surrender of Individual Certificates

- 15.4.1 Payments of principal in respect of any Registered "C" Preference Share(s) which is/are represented by Individual Certificate(s) shall be made to the "C" Preference Shareholder(s) of such Registered "C" Preference Share(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).
- 15.4.2 If the relevant Individual Certificate is not surrendered to the Transfer Agent (at its Specified Office) in accordance with Condition 15.4.1, the amount of principal payable to the "C" Preference Shareholder of the Registered "C" Preference Share(s) represented by that Individual Certificate shall be retained by the Paying Agent for such "C" Preference Shareholder, at the latter's risk, until that Individual Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such "C" Preference Shareholder will not be entitled to any dividend and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.

15.5 Payment Day

If the date for payment of any amount in respect of any "C" Preference Share is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place for payment and shall not be entitled to further interest or other payment in respect of such delay.

15.6 Interpretation of principal

Any reference in these "C" Preference Share Terms and Conditions to principal in respect of the "C" Preference Shares shall be deemed to include, as applicable:

- 15.6.1 any additional amounts which may be payable with respect to principal under Condition 9;
- 15.6.2 the Final Redemption Amount of the "C" Preference Shares or the Early Redemption Amount of the "C" Preference Shares, as the case may be; and
- 15.6.3 any premium and any other amounts which may be payable under or in respect of the "C" Preference Shares.

16. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

16.1 Exchange of Beneficial Interests

- 16.1.1 The holder of a Beneficial Interest in "C" Preference Shares 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 "C" Preference Shares 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.
- 16.1.2 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 "C" Preference Shares 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,
- 16.1.3 Registered "C" Preference Shares are issued in uncertificated form and, in order to effect the exchange of a Beneficial Interest in any "C" Preference Shares (a) the CSD's Nominee will, prior to the Exchange Date, surrender (through the CSD system) such "C" Preference Shares to the Transfer Agent at its Specified Office and (b) the Transfer Agent will obtain the release of such "C" Preference Shares from the CSD in accordance with the Applicable Procedures.
- 16.1.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of "C" Preference Shares of a particular aggregate Issue Price standing to the account of the holder thereof, represent that number of "C" Preference Shares of that aggregate Issue Price, 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.

16.2 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.

16.3 Death and sequestration or liquidation of "C" Preference Shareholder

Any Person becoming entitled to "C" Preference Shares in consequence of the death, sequestration or liquidation of the holder of such "C" Preference Shares 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 16.3 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such "C" Preference Shares (where such "C" Preference Shares are Registered "C" Preference Shares) or, subject to the Applicable Procedures, this Condition 16.3 and Condition 18, may transfer such "C" Preference Shares. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the "C" Preference Shares to which any Person is so entitled until such Person shall be registered as aforesaid or shall duly transfer the "C" Preference Shares.

16.4 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 "C" Preference Shares represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of "C" Preference Shares 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.

17. REGISTER

- 17.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will reflect the number of Registered "C" Preference Shares issued and outstanding and the serial number of Individual Certificates (if any) issued in respect of Registered "C" Preference Shares. The Register will contain the names, addresses and bank account numbers of the registered "C" Preference Shareholders. The Register will set out the total Issue Prices of the Registered "C" Preference Shares issued to a "C" Preference Shareholder or the total Outstanding Redemption Amount of Registered "C" Preference Shares transferred to a "C" Preference Shareholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the "C" Preference Shareholder became registered as such.
- 17.2 The Register will be open for inspection during normal business hours on Business Days by any "C" Preference Shareholder or any Representative of the "C" Preference Shareholder. The Register will be closed during the Books Closed Period.
- 17.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the registered "C" Preference Shareholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Registered "C" Preference Shares if such transfer is carried out in accordance with Condition 18.1.
- 17.4 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 "C" Preference Share may be subject.

18. TRANSFER OF "C" PREFERENCE SHARES

18.1 Transfer of Beneficial Interests in "C" Preference Shares held in the CSD

- 18.1.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
- 18.1.2 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.
- 18.1.3 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.
- 18.1.4 Transfers of Beneficial Interests in "C" Preference Shares will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the "C" Preference Shareholder of such "C" Preference Shares notwithstanding such transfers.

18.2 Transfer of "C" Preference Shares represented by Individual Certificates

- 18.2.1 In order for any transfer of "C" Preference Shares represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 18.2.1.1 the transfer of such "C" Preference Shares must be embodied in a Transfer Form;
 - 18.2.1.2 the Transfer Form must be signed by the registered "C" Preference Shareholder of such "C" Preference Shares and the transferee, or any authorised representatives of that registered "C" Preference Shareholder or transferee;
 - 18.2.1.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the individual Certificate representing such "C" Preference Shares for cancellation.
- 18.2.2 "C" Preference Shares 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).
- 18.2.3 Subject to this Condition 18.2, 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 "C" Preference Shares represented by an Individual Certificate (or the relevant portion of such "C" Preference Shares) 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 "C" Preference Shares transferred reflecting the Outstanding Issue Prices of the "C" Preference Shares transferred.
- 18.2.4 Where a "C" Preference Shareholder has transferred a portion only of "C" Preference Shares represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such "C" Preference Shareholder at the Transfer Agent's Specified Office or, at the risk of such "C" Preference Shareholder, send by mail to such address as such "C" Preference Shareholder may request, at the risk of such "C" Preference Shareholder, a new Individual Certificate representing the balance of the "C" Preference Shares held by such "C" Preference Shareholder.

- 18.2.5 The transferor of any "C" Preference Shares 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.
- 18.2.6 Before any transfer of "C" Preference Shares 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.
- 18.2.7 No transfer of any "C" Preference Shares represented by an Individual Certificate will be registered during the Books Closed Period.
- 18.2.8 If a transfer of any "C" Preference Shares represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 18.2.9 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 taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the "C" Preference Shares transferred.

19. CALCULATION AGENT, PAYING AGENT AND TRANSFER AGENT

- 19.1 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 "C" Preference Shareholders. 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.
- 19.2 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 "C" Preference Shares. The issuer shall notify the "C" Preference Shareholders (in the manner set out in Condition 20) of any such appointment and, if any "C" Preference Shares are listed on the Relevant Stock Exchange, the issuer shall notify the Relevant Stock Exchange of any such appointment.
- 19.3 If and to the extent that the Issuer acts as Calculation Agent and/or Paying Agent and/or Transfer Agent:
- 19.3.1 all references in the applicable "C" Preference Share 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
- 19.3.2 all requirements in the applicable "C" Preference Share 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.

20. NOTICES

20.1 Notice to "C" Preference Shareholders

- 20.1.1 All Notices to the "C" Preference Shareholders of Registered "C" Preference Shares shall be in writing and shall:
- 20.1.1.1 be sent by registered mail to the respective postal addresses appearing in the Register or delivered by hand to the respective addresses of "C" Preference Shareholders appearing in the Register; and
 - 20.1.1.2 be published in an English language daily newspaper of general circulation in South Africa; and
 - 20.1.1.3 for so long as the "C" Preference Shares are listed on the Relevant Stock Exchange, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.
- 20.1.2 Subject to Condition 20.1.3, a notice given to "C" Preference Shareholders in terms of Condition 20.1.1 shall be deemed to have been received by the "C" Preference Shareholders on the date on which that notice is first published in the daily newspaper of general circulation in South Africa contemplated in Condition 20.1.1.2.
- 20.1.3 Notwithstanding the provisions of Condition 20.1.1, for so long as all of the "C" Preference Shares in a Tranche of "C" Preference Shares are held in their entirety in the CSD, there may be substituted for the notice contemplated in Condition 20.1.1 the delivery by hand of the relevant notice to the CSD's Nominee (as the registered holder of such "C" Preference Shares), the Relevant Stock Exchange and the Participants, for communication by the CSD's Nominee and the Participants to the holders of Beneficial Interests in such "C" Preference Shares 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.
- 20.1.4 In addition to the applicable notice requirements set out in this Condition 20.1 above, all notices of meetings of all of the "C" Preference Shareholders or the relevant Group (or Groups) of "C" Preference Shareholders (as applicable) shall be published on SENS.

20.2 Notice by "C" Preference Shareholders

- 20.2.1 All notices to be given by any holder of Registered "C" Preference Share(s) represented by an Individual Certificate 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 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.
- 20.2.2 All notices to be given by any holder of a Beneficial Interest in "C" Preference Shares 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.

21. AMENDMENT

- 21.1 The Issuer may effect, without the consent of any "C" Preference Shareholder, any amendment to the "C" Preference Share Terms and Conditions (or the applicable "C" Preference Share 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 Relevant Stock Exchange.
- 21.2 Save as is provided in Condition 21.1, no amendment to the "C" Preference Share Terms and Conditions (or the applicable "C" Preference Share 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):
- 21.2.1 if such amendment is an amendment to any of the "C" Preference Share Terms and Conditions which are applicable to all of the "C" Preference Shareholders, such amendment is (i) approved by an Extraordinary Resolution of all of the "C" Preference Shareholders or (ii) is signed by or on behalf of "C" Preference Shareholders holding not less than 75% of the aggregate Outstanding Redemption Amounts of all of the "C" Preference Shares, as the case may be;
- 21.2.2 if such amendment is an amendment to any of the "C" Preference Share Terms and Conditions (or the applicable "C" Preference Share Terms and Conditions) which are applicable to a particular Group of "C" Preference Shareholders (or Groups of "C" Preference Shareholders), such amendment is (i) approved by an Extraordinary Resolution of that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) or (ii) is signed by or on behalf of "C" Preference Shareholders in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) holding not less than 75% of the aggregate Outstanding Redemption Amounts of all of the "C" Preference Shares in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders), as the case may be.
- 21.3 Any amendment to the "C" Preference Share Terms and Conditions (or the applicable "C" Preference Share Terms and Conditions) effected in terms of this Condition 21 shall be binding on (as applicable) all of the "C" Preference Shareholders or the relevant Group of "C" Preference Shareholders or the relevant Groups of "C" Preference Shareholders, and any such amendment shall be communicated to such "C" Preference Shareholders 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.

22. MEETINGS OF "C" PREFERENCE SHAREHOLDERS

22.1 Directions of "C" Preference Shareholders

- 22.1.1 The provisions with regard to meetings of "C" Preference Shareholders are set out in this Condition 22. The provisions of this Condition 22 will apply, mutatis mutandis, to each separate meeting of all of the "C" Preference Shareholders or the relevant Group/s of "C" Preference Shareholders (as applicable).
- 22.1.2 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 "C" Preference Shareholders, but shall not be entitled to vote, other than as a "C" Preference Shareholder or proxy or duly authorised representative of a "C" Preference Shareholder.
- 22.1.3 A meeting of "C" Preference Shareholders will have power, in addition to all powers specifically conferred elsewhere in the "C" Preference Share Terms and Conditions:

- 22.1.3.1 by Ordinary Resolution of all of the "C" Preference Shareholders, to give instructions to the Issuer in respect of any matter not covered by the "C" Preference Share Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the "C" Preference Share Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the "C" Preference Share Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the "C" Preference Share Terms and Conditions);
- 22.1.3.2 by Extraordinary Resolution of all of the "C" Preference Shareholders, to bind all of the "C" Preference Shareholders to any compromise or arrangement;
- 22.1.3.3 by Extraordinary Resolution of all of the "C" Preference Shareholders or the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) (as applicable), to agree to any amendment of any of the "C" Preference Share Terms and Conditions (or the applicable "C" Preference Share Terms and Conditions), subject to and in accordance with Condition 21.
- 22.1.4 Unless otherwise specified in the "C" Preference Share Terms and Conditions (and subject to Condition 22.1.3), resolutions of all of the "C" Preference Shareholders or the "C" Preference Shareholders or the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) (as applicable) will require an Ordinary Resolution to be passed.

22.2 Convening of meetings

- 22.2.1 The Issuer may at any time convene a meeting of all of the "C" Preference Shareholders or separate meetings of any Group of "C" Preference Shareholders (or Groups of "C" Preference Shareholders) (as applicable) (a meeting or the meeting).
- 22.2.2 The Issuer will convene a meeting of all of the "C" Preference Shareholders upon the requisition in writing of "C" Preference Shareholders holding not less than 15% of the aggregate Issue Prices of all of the "C" Preference Shares for the time being outstanding. The Issuer will convene a separate meeting of any Group of "C" Preference Shareholders (or Groups of "C" Preference Shareholders) (as applicable) upon the requisition in writing of "C" Preference Shareholders in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) holding not less than 15% of the aggregate Issue Prices of the "C" Preference Shares in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) for the time being outstanding (each such requisition, a requisition notice).
- 22.2.3 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.

22.3 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 "C" Preference Shareholders or the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) (as applicable), in accordance with Condition 22.4.

22.4 Notice of meeting

Whenever the Issuer wishes (or is required) to convene a meeting of all of the "C" Preference Shareholders or any Group of "C" Preference Shareholders (or Groups of "C" Preference Shareholders) (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 "C" Preference Shareholders or "C" Preference Shareholders in the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) (as applicable) in accordance with Condition 20 (subject, in particular, to Condition 20.1.4)) 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 "C" Preference Shares of at least 90% of the aggregate Issue Prices of all of the "C" Preference Shares for the time being outstanding or the "C" Preference Shares in the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) for the time being outstanding (as applicable), may agree in writing to a shorter notice period.

22.5 Place of meeting

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

22.6 Quorum

22.6.1 A quorum at a meeting shall:

22.6.1.1 for the purposes of considering an Ordinary Resolution, consist of "C" Preference Shareholders, present in person or by proxy, holding in the aggregate not less than 34% of the aggregate Issue Prices of all of the "C" Preference Shares for the time being outstanding or the "C" Preference Shares in the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) for the time being outstanding (as applicable);

22.6.1.2 for the purposes of considering an Extraordinary Resolution, consist of "C" Preference Shareholders, present in person or by proxy, holding in the aggregate not less than 66.67% of the aggregate Issue Prices of all of the "C" Preference Shares for the time being outstanding or the "C" Preference Shares in the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) for the time being outstanding (as applicable).

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

22.6.3 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 "C" Preference Shareholders, 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 "C" Preference Shareholders 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.

22.7 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 "C" Preference Shareholders 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 22. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

22.8 Adjournment

22.8.1 Subject to the provisions of this Condition 22, the chairman of a meeting may with the consent of (and shall if directed by) the relevant "C" Preference Shareholders then present, adjourn the meeting from time to time and from place to place.

22.8.2 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 "C" Preference Shareholders 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.

22.8.3 No business will be transacted at any adjourned meeting other than the business left unfinished at the original meeting which was adjourned.

22.9 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.

23. VOTING

23.1 The "C" Preference Shareholders shall be given due notice of, and shall be entitled to be present at, all shareholders meetings of the Issuer.

23.2 The "C" Preference Shareholders shall not (in their capacity as "C" Preference Shareholders) have any voting rights at any shareholders meeting unless any one or more of the following circumstances is prevailing at the time of such shareholders meeting:

23.2.1 any Early Redemption Event has occurred;

23.2.2 any "C" Preference Dividend (or any part thereof) is not paid on its Dividend Payment Date and remains in arrears and unpaid for more than 30 Business Days;

23.2.3 any Applicable Redemption Amount (or any part thereof) is not paid on its Applicable Redemption Date and remains in arrears;

23.2.4 a resolution of the Issuer is proposed which directly affects the "C" Preference Shares Terms, the rights to receive the "C" Preference Dividends, the rights to receive the Applicable Redemption Amounts or the interests of the "C" Preference Shareholders.

23.3 Without derogating from the foregoing, the Issuer shall be obliged to give the "C" Preference Shareholders notice, in terms of the MOI and the Companies Act, of any meeting of the shareholders or class of shareholders.

23.4 At every meeting of the "C" Preference Shareholders as a separate class of shareholders of the

Issuer the provisions of the MOI relating to shareholders meeting shall apply *mutatis mutandis*.

23.5 At every shareholders meeting or adjourned shareholders meeting of the Issuer at which the "C" Preference Shareholders are entitled to exercise voting rights:

23.5.1 all resolutions put to the meeting shall be voted on by way of a poll; and

23.5.2 each "C" Preference Shareholder shall be entitled to exercise 1 (one) vote in respect of each "C" Preference Share held by it.

23.6 Proxies and representatives

23.6.1 "C" Preference Shareholders present at a meeting either in person or by proxy may vote on a poll. A "C" Preference Shareholder may by an instrument in writing (a form of proxy) signed by that "C" Preference Shareholder 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.

23.6.2 A person appointed to act as proxy need not be a "C" Preference Shareholder.

23.6.3 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.

23.6.4 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.

23.6.5 Notwithstanding Condition 23.6.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

23.6.6 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 "C" Preference Shareholder 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 "C" Preference Shares 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.

23.6.7 Any "C" Preference Shareholder 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 "C" Preference Share Terms and Conditions to a "C" Preference Shareholder present at a meeting in person includes the duly authorised representative of a "C" Preference Shareholder which is a juristic person.

23.7 Binding effect of resolutions

A resolution passed at a meeting of all of the "C" Preference Shareholders or any Group of "C" Preference Shareholders (or Groups of "C" Preference Shareholders) (as applicable) duly convened and held in accordance with the provisions of this Condition 22 is present on all of the "C" Preference Shareholders or all of "C" Preference Shareholders in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) (as applicable), whether present or not present at such meeting, and each of such "C" Preference Shareholders 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.

23.8 **Signed resolution**

A resolution in writing signed by or on behalf of all of the "C" Preference Shareholders or all of "C" Preference Shareholders in the relevant Group of "C" Preference Shareholders (or the relevant Groups of "C" Preference Shareholders) (as applicable) shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of such "C" Preference Shareholders duly convened and held in accordance with the provisions contained in this Condition 22.

23.9 **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 "C" Preference Shareholders or the "C" Preference Shareholders in relevant Group of "C" Preference Shareholders or (the relevant Groups of "C" Preference Shareholders) (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.

24. **FURTHER ISSUES**

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

25. **"C" PREFERENCE SHARES AND THE COMPANIES ACT**

25.1 Notwithstanding anything to the contrary contained in these "C" Preference Share Terms and Conditions or the Programme Memorandum, (i) the Issuer, (ii) each Tranche of "C" Preference Shares, and (iii) each of the "C" Preference Shareholders, shall be subject to all of the applicable provisions of the Companies Act including, without limiting the generality of the foregoing, sections 37 and 46 of the Companies Act (the **Applicable Provisions**).

25.2 For the purpose of the "C" Preference Shares and in relation to (i) the Issuer, (ii) each Tranche of "C" Preference Shares, and (iii) each of the "C" Preference Shareholders:

25.2.1 the Applicable Provisions are deemed to be incorporated by reference into these "C" Preference Share Terms and Conditions; and

25.2.2 to the extent that there is any conflict or inconsistency between the Applicable Provisions and any of these "C" Preference Share Terms and Conditions, the Applicable Provisions shall prevail; and

25.2.3 to the extent that, in consequence of such conflict, the Applicable Provisions replace, amend, or supplement any of these "C" Preference Share Terms and Conditions, any reference to "C" Preference Share Terms and Conditions" in the Programme Memorandum and/or the Applicable

Pricing Supplement shall be deemed to include these "C" Preference Share Terms and Conditions as so replaced, amended or supplemented.

26. **CONFLICT BETWEEN THE "C" PREFERENCE SHARE TERMS AND CONDITIONS AND THE TERMS AND CONDITIONS APPLICABLE TO THE NOTES**

To the extent that there is any conflict between the "C" Preference Share Terms and Conditions and the Terms and Conditions applicable to the Notes, for purposes of the "C" Preference Share Terms and Conditions, the "C" Preference Share Terms and Conditions shall prevail.

27. **SEVERABILITY**

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

28. **GOVERNING LAW**

The Programme Memorandum, the "C" Preference Shares and the applicable "C" Preference Share Terms and Conditions, are governed by and shall be construed in accordance with, the laws of South Africa.

USE OF PROCEEDS

The consideration received by the Issuer in respect of the issue proceeds of each Tranche of "C" Preference Shares shall be applied by the Issuer for general corporate purposes and in such a manner as to ensure that such application satisfies the Specified Warranties (if any) set out in the Applicable Pricing Supplement.

TERMS AND CONDITIONS OF THE "C" PREFERENCE SHARE GUARANTEE

Set out below is an extract from the final form of the "C" Preference Share Guarantee:

Guarantee Deed Poll

Dated 14 December 2012

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

in relation to the issuance of "C" Preference Shares under the "*C Preference Share Terms and Conditions*" of the ZAR 5,000,000,000 Debt Instrument Programme ("**Programme**") of Macquarie Securities South Africa Proprietary Limited (Registration Number 2006/023546/07) ("**Issuer**") dated 17 May 2012, as further amended by supplement on 25 June 2012 and as amended, novated and/or substituted from time to time in accordance with its terms.

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	"C" Preference Shareholders	
Governing law	New South Wales	
Date of deed poll	See Signing Page	

Recitals	A	The Issuer proposes to issue "C" Preference Shares to the "C" Preference Shareholders pursuant to (and on the basis set out in) the Programme Memorandum dated 17 May 2012, as amended by supplement on 25 June 2012 (and read with the supplement to the Programme Memorandum dated 14 December 2012) prepared in respect of the "C" Preference Shares.
	B	The Guarantor has agreed to provide a guarantee in favour of the "C" Preference Shareholders on the terms of this deed poll.
	C	The Guarantor provided a separate guarantee in favour of the Noteholders on 8 October 2012 (" the Guarantee ").

General terms

1 Interpretation

1.1 Definitions

In this "C" Preference Share Guarantee, unless inconsistent with the context, terms used with a capitalised first letter, and not otherwise defined herein, shall have the meanings ascribed thereto in the section headed *Terms and Conditions of the "C" Preference Shares* in the Programme Memorandum:

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

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

"C" Preference Shares means the preference shares issued or to be issued by the Issuer under the Programme and having the rights and privileges set forth in the relevant Applicable Pricing Supplement.

"C" Preference Shareholder means, in respect of the Issuer, the holders of "C" Preference Shares (as recorded in the Register), and "C" Preference Shareholders means, as the context requires, all of them.

"C" Preference Share Guarantee means the guarantee given by the Guarantor in respect of "C" Preference Shares in clause 3.1(a).

"C" Preference Share Terms and Conditions means the terms and conditions of the "C" Preference Shares set out in the section of the Programme Memorandum headed "*Terms and Conditions of the "C" Preference Shares*".

Class means a Tranche of "C" Preference Shares together with any further Tranche or Tranches of "C" Preference Shares which are (a) expressed in the Authorising Resolution to form part of the same Class as another Tranche of "C" Preference Shares, and (b) identical in all respects (including as to listing) except for their respective Issue Dates and/or Issue Prices.

Details means the last section of the Programme Memorandum specifying the Guarantor's details.

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

Excluded Beneficiaries means any person or group of persons who are or become "C" Preference Shareholders and who are specified in the Applicable Pricing Supplement to be "**Excluded Beneficiaries**".

Extraordinary Resolution means a resolution passed at a duly convened meeting of all of the "C" Preference Shareholders or the relevant Group of "C" Preference Shareholders or the relevant

Groups of "C" Preference Shareholders (as applicable), upon a poll, by a majority consisting of not less than three-quarters of the votes cast on such poll.

Group of "C" Preference Shareholders means (as applicable) the holders of the "C" Preference Shares in a Tranche of "C" Preference Shares or the holders of the "C" Preference Shares in more than one Tranche of "C" Preference Shares in a Class of "C" Preference Shares or the holders of "C" Preference Shares in a Class of "C" Preference Shares.

Guarantee means the guarantee given by the Guarantor on 8 October 2010 in respect of any of the Notes issued under the Programme.

Guaranteed Amounts means all amounts owing by the Issuer in respect of the "C" Preference Shares under the "C" Preference Share Terms and Conditions (including for the avoidance of doubt, any Additional "C" Preference Dividend and/or any Additional Amount).

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).

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

Note Holder means the holder of any Notes issued by the Issuer under the Programme from time to time;

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 and/or "C" Preference Shares from time to time.

Programme Memorandum means the document so entitled in respect of the Programme dated 17 May 2012 (as amended on 25 June 2012), read with the supplement to the Programme Memorandum dated 14 December 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 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 "C" Preference Shareholders maintained by or on behalf of the Issuer, in accordance with the "C Preference Share Terms and Conditions.

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 "C" Preference Shareholder.

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

1.2 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 "C Preference Share 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 "C" Preference Shareholder 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 "C" Preference Shareholder.
- c) For the avoidance of doubt, a Noteholder and the holder of a Beneficial Interest in a Note do not have the benefit of, and are not entitled to enforce, this deed poll. Each Noteholder has the benefit of and is entitled to enforce, the deed of poll contained in the Guarantee.
- 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 "C" Preference Share may be subject.
- e) Notwithstanding anything to the contrary herein, Excluded Beneficiaries do not have the benefit of, and are not entitled to enforce, this deed poll.

2.2 "C" Preference Shareholder's independent rights

Each "C" Preference Shareholder may enforce its rights under this deed poll independently from each other "C" Preference Shareholder.

2.3 Each "C" Preference Shareholder having notice and being bound

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

3 Terms of "C" Preference Share Guarantee

3.1 "C" Preference Share Guarantee

- a) The Guarantor unconditionally and irrevocably guarantees to each "C" Preference Shareholder 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 "C" Preference Shareholder within 10 (ten) Business Days of receipt by the Guarantor of written demand stipulating any Guaranteed Amounts which the Issuer is at any time liable to pay in respect of such "C" Preference Shares, 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 "C" Preference Shares.
- b) The Guarantor acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the "C" Preference Shares 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 "C" Preference Share Guarantee until the later of the date on which the Programme is terminated by the Issuer and the date on which all the obligations of the Issuer in respect of the "C" Preference Shares have been discharged in full (including in respect of any Additional "C" Preference Dividends and/or Additional Amounts) notwithstanding the occurrence of any event referred to in clause 3.3 ("**Continuing Guarantee**").
- c) The "C" Preference Share Guarantee is a direct unsecured obligation of the Guarantor. The Guarantor's payment obligations under the "C" Preference Share 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 "C" Preference Shares such that the "C" Preference Shareholder 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 "C" Preference Shareholder; 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 "C" Preference Shareholder 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 "C" Preference Share 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 "C" Preference Share 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 "C" Preference Shares 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 "C" Preference Shareholders to enforce, assert or exercise any right, privilege, power or remedy conferred on the "C" Preference Shareholders 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 "C" Preference Shares;
- 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 "C" Preference Shareholder by this "C" Preference Share Guarantee, or by law.

There shall be no obligation on the "C" Preference Shareholders 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 "C" Preference Shareholder may enforce the "C" Preference Share Guarantee directly against the Guarantor on written demand and the Guarantor waives any right it has of first requiring a "C" Preference Shareholder 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 delivery by the "C" Preference Shareholder to the Guarantor (or its nominee) of (i) any Certificate in respect of the "C" Preference Shares (if applicable) and/or (ii) any other conclusive proof that the "C" Preference Shareholder holds or held (as the case may be) the "C" Preference Share to which the enforcement claim relates before proceeding against the Guarantor in accordance with the terms of this deed poll.

- b) The Guarantor agrees that the "C" Preference Share Guarantee shall not be discharged except by complete performance of all obligations of the Guarantor under the "C" Preference Share Guarantee.
- c) The obligations, covenants, agreements and duties of the Guarantor under the "C" Preference Share Guarantee and this deed poll shall in no way be affected or impaired by reason of any indulgence granted by a "C" Preference Shareholder to the Guarantor or a "C" Preference Shareholder 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 "C" Preference Share 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 "C" Preference Shareholders against the assets of the Issuer in respect of any amounts paid to the "C" Preference Shareholders by the Guarantor under the "C" Preference Share 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 "C" Preference Share Guarantee if, at the time of any such payment, any amounts are due and unpaid under the "C" Preference Share Guarantee.

4 Amendments

4.1 General

In respect of any outstanding "C" Preference Share, the Guarantor is entitled, without any authority or assent on the part of the "C" Preference Shareholders, 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.

4.2 Amendments with approval of "C" Preference Shareholders

In respect of any outstanding "C" Preference Share, this deed poll may, in addition to clause 4.1 above, 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 that relevant Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) or (b) is signed by or on behalf of "C" Preference Shareholders in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders) holding not less than 75% of the aggregate Outstanding Redemption Amounts of all of the "C" Preference Shares in that Group of "C" Preference Shareholders (or those Groups of "C" Preference Shareholders), as the case may be.

5 General

5.1 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 "C" Preference Shareholders 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.

5.2 Copies of the "C" Preference Share Guarantee

A copy of this deed poll will be deposited with and held by the Issuer 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 "C" Preference Shares have been discharged in full.

Within 14 days of the Guarantor receiving a written request from a "C" Preference Shareholder to do so, the Guarantor:

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

6 Notices and other communications

6.1 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.

6.2 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.

6.3 When effective

Communications take effect from the time they are received or taken to be received under clause 6.4 ("**When taken to be received**") (whichever happens first) unless a later time is specified.

6.4 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.

7 Governing law and service

7.1 Governing law

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

7.2 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 "C" Preference Shareholder 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.

7.3 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 6.2 ("**Delivery**").

EXECUTED as a deed poll.

DESCRIPTION OF MACQUARIE SECURITIES SOUTH AFRICA PROPRIETARY LIMITED

Please refer to the section in the Programme Memorandum headed "Description of Macquarie Securities South Africa Proprietary Limited" and note the changes made to this section pursuant to the supplement dated 25 June 2012 and/or public announcements, including without limitation SENS announcements, made since 17 May 2012 in relation to the Issuer.

DESCRIPTION OF MACQUARIE GROUP LIMITED

Please refer to the section in the Programme Memorandum headed "Description of Macquarie Group Limited" and note the changes made to this section pursuant to the supplement dated 25 June 2012 and/or public announcements, including without limitation SENS announcements, made since 17 May 2012 in relation to Macquarie Group Limited.

SETTLEMENT, CLEARING AND TRANSFERS OF THE "C" PREFERENCE SHARES

"C" Preference Shares listed on the Main Board of the JSE and unlisted "C" Preference Shares

Each Tranche of "C" Preference Shares which is listed on the Main Board of the JSE and each Tranche of unlisted "C" Preference Shares 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 Main Board of the JSE. Each Tranche of "C" Preference Shares 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 "C" Preference Shares will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. Registered "C" Preference Shares 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 Supplement 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 "C" Preference Shares through their Participants.

Settlement and clearing

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

While a Tranche of "C" Preference Shares is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole "C" Preference Shareholder of the "C" Preference Shares in that Tranche. All amounts to be paid and all rights to be exercised in respect of "C" Preference Shares 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 "C" Preference Shares.

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 "C" Preference Shares, 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 "C" Preference Shares standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered "C" Preference Shareholder of such "C" Preference Shares 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 Redemption Amount of such "C" Preference Shares for all purposes.

Payments of all amounts in respect of a Tranche of "C" Preference Shares which is held in the CSD will be made to the CSD's Nominee, as the registered "C" Preference Shareholder of such "C" Preference Shares, 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 "C" Preference Shares 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 "C" Preference Shareholder of such "C" Preference Shares.

Payments of all amounts due and payable in respect of Beneficial Interests in "C" Preference Shares will be recorded by the CSD's Nominee, as the registered "C" Preference Shareholder of such "C" Preference Shares, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered "C" Preference Shareholder of such "C" Preference Shares, 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 "C" Preference Shares represented by Individual Certificates in accordance with Condition 16 of the "C" Preference Share Terms and Conditions.

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 "C" Preference Share may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

JSE Guarantee Fund Trust

Unlisted "C" Preference Shares are not regulated by the JSE. The holders of "C" Preference Shares that are not listed on the Main Board of the JSE will have no recourse against the JSE and/or the JSE Guarantee Fund Trust. Claims against the JSE Guarantee Fund Trust may only be made in respect of the trading of the "C" Preference Shares listed on the Main Board of the JSE and in accordance with the rules of the JSE Guarantee Fund Trust. For the avoidance of doubt, "C" Preference Shareholders of "C" Preference shares listed on the Main Board of the JSE will have no claim against the BESA Guarantee Fund Trust.

SUBSCRIPTION AND SALE OF "C" PREFERENCE SHARES

Dealer and Placing Arrangements

A Tranche of "C" Preference Shares 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.

In terms of (and subject to) the Dealer and "C" Preference Share Subscription Agreement (as defined in the section headed "*Selling Restrictions*" below), the Issuer has appointed a dealer for the issue of the first Tranche of "C" Preference Shares ("**First Tranche**") under the Programme. The Issuer may, in terms (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 addition, the Issuer may appoint one or more other Dealers to place one or more Tranches of "C" Preference Shares or on an ongoing basis for the Programme.

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 "C" Preference Shares by entering into the relevant Dealer Confirmation (as defined in the section headed "*Selling Restrictions*" below).

On the Issue Date, delivery of the "C" Preference Shares in the relevant Tranches which are listed on the Main Board of the JSE and/or held in CSD to the subscribers of such "C" Preference Shares will be effected by the Issuer's Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The Dealer may procure sale and purchase transactions in respect of the Tranches of "C" Preference Shares before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Dealer Confirmation is not terminated before the time on which such transactions are to be settled on the Issue Date. The Dealer may under certain circumstances (before the issue of or payment for the relevant Tranches) terminate its obligations to place such Tranches under the relevant Dealer Confirmation. The relevant Dealer Confirmation may, under certain circumstances (before the issue of or payment for the relevant Tranches) automatically terminate. If the relevant Dealer Confirmation is terminated before the Issue Date, the transactions in the Tranches will auto 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 Dealer Confirmation before the issue of or payment for the relevant Tranches.

Selling Restrictions

Please refer to the sub-section in the Programme Memorandum headed "*Selling Restrictions*" save that all references in such sub-section, for purposes of a Tranche of "C" Preference Shares:

- (i) "Noteholders" shall include "'C" Preference Shareholders";
- (ii) "Notes" shall include "'C" Preference Shares";
- (iii) "Relevant Dealer" and/or "relevant Dealer" shall be deemed to be references to "Dealer(s)" as defined in the "C" Preference Share Terms and Conditions, read with the relevant Applicable Pricing Supplement;
- (iv) "Programme Agreement" shall be deemed to be references to the relevant Dealer and Subscription Agreement ("**Dealer and "C" Preference Share Subscription Agreement**") concluded or to be concluded between the Issuer and the dealer appointed therein in respect of a specific Tranche and, subsequent to the conclusion by the parties to the Programme Agreement of an addendum to the Programme Agreement for the inclusion of the appointment of sponsors, arrangers and dealers in respect of future Tranches of "C" Preference Shares, the Programme Agreement (as read with such addendum);
- (v) "relevant Note Subscription Agreement / Issue Confirmation" shall be deemed to be references to "Dealer Confirmation" in the Dealer and "C" Preference Shares Subscription Agreement;
- (vi) "Bearer Notes" shall not apply to such Tranche.

TAXATION APPLICABLE TO "C" PREFERENCE SHARES

The information below is intended to be a general guide to the relevant tax laws of South Africa as at the Supplement Date. The contents of this section headed "Taxation applicable to "C" Preference Shares" 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 "C" Preference Shares. Prospective subscribers for or purchasers of any "C" Preference Shares should consult their professional advisers in this regard.

SOUTH AFRICAN TAXATION

Securities Transfer Tax ("STT")

The Securities Transfer Tax Act imposes STT on the transfer and on the redemption of the "C" Preference Shares at a rate equal to 0.25%. In the case of a transfer of unlisted "C" Preference Shares, STT will be calculated on the higher of the consideration payable for the "C" Preference Shares and their market value. In the case of listed "C" Preference Shares, the STT will be calculated on the consideration payable. If the transfer was effected by "a participant", as defined in the STT Act and no consideration was declared or the amount declared was less than the lowest price of the share, the amount will be calculated on the closing price of the security. Such STT (and any future transfer duties and/or taxes that may be introduced) in respect of (or applicable to) the transfer of "C" Preference Shares will be for the account of the transferee.

In the case of a redemption of the "C" Preference Shares, STT will be payable on the market value of the "C" Preference Shares before such redemption. Such STT (and any future transfer duties and/or taxes that may be introduced) in respect of (or applicable to) the redemption of "C" Preference Shares will be for the account of the "C" Preference Shareholder if such shares are listed.

Income Tax

Dividends

Subject to the provisions of section 8E of the Income Tax Act, dividends which are declared by South African resident companies are not subject to income tax (by virtue of an exemption contained in section 10(1)(k) of the Income Tax Act).

In terms of section 8E, if a preference share qualifies as a "*hybrid equity instrument*", dividends which accrue in respect of that preference share are regarded as interest in the hands of the recipient and are taxable as such.

Section 8E currently defines a "*hybrid equity instrument*" to include, inter alia, any redeemable preference share if (i) the issuer of that share is obliged to redeem it within three years of its date of issue, or (ii) its holder has the right to put that share to a third person within three years of its date of issue. The exemption available to non-residents in respect of interest derived from a source in South Africa, contained in section 10(1)(h) of the Income Tax Act, currently applies to dividends which are deemed to be interest by virtue of section 8E.

The South African Revenue Service has published draft legislation which will broaden the applicability of section 8E and will apply to "C" Preference Shareholders in respect of any "C" Preference Share dividends received or accrued during any year of assessment of that "C" Preference Shareholder commencing on or after 1 January 2013. In particular, a preference share will, for the purposes of section 8E, constitute a hybrid equity instrument if it is secured by a financial instrument or if it is subject to an arrangement in terms of which a financial instrument may not be disposed of. However, the draft legislation provides for an exclusion of such a preference share from the definition of a hybrid equity instrument if the proceeds of the issue of the preference share are used for the purpose described more fully below (a "qualifying purpose" as defined in section 8EA).

Dividends derived in respect of hybrid equity instruments will then be treated as normal income, not as interest, in the hands of the recipient. Generally, dividends declared by a resident company are treated as South African sourced income. Currently, dividends which are re-characterised under section 8E are treated as interest and are exempt from tax in the hands of a non-resident (under section 10(1)(h) of the Income Tax Act). They are also treated as foreign source income unless attributable to a permanent establishment in South Africa. It is also proposed to exclude such income from the exemption since the dividends will no longer be treated as local source income in the hands of a non-resident (but note the liability to Dividends Tax below).

In terms of the draft legislation, a further provision (section 8EA) will be introduced and will apply *inter alia* to shares which are "*third party backed shares*" within the meaning of section 8EA. A third party backed share is defined to include a preference share in respect of which a third party has an enforcement right or an enforcement obligation as a result of the non-payment of any dividend or return of capital attributable to that share. If the section applies, dividends paid in respect of the third party backed shares will be deemed to be income, with the same consequences as outlined above under section 8E. The new provisions will apply to any dividends received or accrued in respect of a third party backed share during any year of assessment of the "C" Preference Shareholder commencing on or after 1 January 2013.

Section 8EA will not apply to a preference share if (i) the issuer of that preference share uses the proceeds of such preference shares for a "qualifying purpose", *inter alia*, to purchase equity shares in an operating company or to refinance loans previously incurred or preference shares previously issued to acquire equity shares in an operating company, and the enforcement right or obligation can only be exercised or enforced against, *inter alia*, the issuer, the operating company, a company which holds at least 20% of the issued equity shares in the issuer of the preference shares or a group company in relation to any of these persons. An "*operating company*" is defined to mean a company which undertakes a business continuously in the course of which it supplies goods or services for consideration, a company which is a controlling group company in relation to that company (i.e. holds at least 70% of the equity shares in that company), or a listed company.

The dividends on the C Preference Shares should qualify under the exclusions available under section 8E and under section 8EA and would thus not be re-characterised as other income.

Withholding Tax on dividends

Part VIII of Chapter III imposes a withholding tax on dividends declared by (i) a company which is a resident, and (ii) a company which is not a resident if the share in respect of which that dividend is paid is listed on the JSE.

Section 64F of the Income Tax Act exempts various different types of entity from the withholding tax on dividends. Amongst others, resident companies and pension funds are exempt from the dividends tax. Non-residents are, however, subject to the dividends tax although it is possible that in specific instances a non-resident could obtain limited relief from the dividends tax in terms of a double taxation agreement.

The dividends tax must be deducted by the company declaring the dividend. However, if the instrument in respect of which the dividend is declared is listed on, amongst others, the JSE then (i) the company in question will pay the dividends, without deducting withholding tax, to the participant (being a "*regulated intermediary*") and (ii) the participant will deduct the withholding tax prior to making payment of the applicable dividends to the holders of beneficial interests in the relevant shares. However, if the beneficial owner is a resident of a country which has concluded a double taxation agreement with South Africa which provides a reduction of the rate of dividends tax, that person must submit to the regulated intermediary a declaration as prescribed before the payment of the dividend confirming its entitlement to the relief.

Accordingly, a CSD Participant is obliged to deduct the dividends tax from any dividends which it pays over to any particular shareholder, except if the shareholder (i) is exempt from the dividends tax, and (ii) has delivered a declaration (in the prescribed form) to such effect to the CSD Participant.

Capital gains tax

Residents are subject to capital gains tax on their worldwide capital gains. A non-resident is subject to capital gains tax only in respect of capital gains which are realised from the disposal of (i) immovable property situated in South Africa and shares in certain companies, the principal assets of which are immovable property located in South Africa, and (ii) assets attributable to a permanent establishment of that non-resident in South Africa. A "*permanent establishment*" is defined (in section 1 of the Income Tax Act) as a permanent establishment as from time to time defined in article 5 of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, with some additions.

Capital gains tax becomes payable if a taxpayer disposes of an asset which it holds on capital account. The word "*dispose*" is defined to include any action by virtue of which an asset is created, transferred, varied or extinguished. If an asset is held for speculative purposes, the gain would be subject to normal tax. Capital gains tax is imposed at lower effective rates.

The "C" Preference Shares

The redemption of the C Preference Shares may potentially be subject to tax.

The tax consequences of the redemption of preference shares could be summarised as follows: (i) a distribution which a company makes would neither be a dividend for income tax purposes nor would the holder realise any gain if the amount thereof merely reduced the contributed tax capital (the initial capital contributed by the original shareholder to take up the shares issued by the company); such a distribution is treated as a return of capital; (ii) if the company paid rolled up dividends on redemption from its retained earnings, the amount would qualify as a dividend whilst the balance should qualify as a return of capital if the amount was equal to the original subscription price of the preference shares (iii) if the shareholder received less than the original subscription price on redemption, he would realise a capital loss.

If any holder of a preference share sold that share, such holder would (i) realise a capital gain if the proceeds obtained by it on disposal exceeded the base cost of the share, or (ii) incur a capital loss if the base cost of the share exceeded its proceeds. Resident shareholders would be subject to capital gains tax on their capital gains but non-resident shareholders would only be subject to capital gains tax if the share was attributable to a permanent establishment of that non-resident in South Africa.

The "C" Preference Share Guarantee

As at the Supplement Date, all payments under the "C" Preference Share Guarantee to "C" Preference Shareholders will, in terms of the Income Tax Act as at the Supplement Date, be made free of withholding or deduction for or on account of any Taxes.

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 pay dividends and/or redeem the "C" Preference Shares.

Withholding on payments made to "C" Preference Shareholders

Under FATCA, the Issuer or other financial institutions through which payments on the "C" Preference Shareholders are made or through which a "C" Preference Shareholder owns its "C" Preference Shares may be required to withhold amounts on the "C" Preference Shares if (i) there is a "non-participating" non U.S. financial institution in the payment chain or (ii) the "C" Preference Shareholder 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. 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 dividends, redemption proceeds or other amounts paid with respect to the "C" Preference Shares is not clear. If an amount in respect of a FATCA withholding tax were to be deducted or withheld from dividends, redemption proceeds or other payments on the "C" Preference Shares as a result of a "C" Preference Shareholders 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 "C" Preference Shares, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less dividends, redemption proceeds or other payments than expected. "C" Preference Shareholders should consult their own tax advisers on how these rules may apply to payments they receive under the "C" Preference Shares.

SOUTH AFRICAN EXCHANGE CONTROL

Please refer to the section in the Programme Memorandum headed "*South African Exchange Control*" provided that:

1. all references in such section, for the purposes of a Tranche of "C" Preference Shares, to:
 - (i) "Noteholders" shall include "C" Preference Shareholders;
 - (ii) "Notes" shall include "C" Preference Shareholders; and
2. the sub-paragraphs headed "*Bearer Notes*" and "*Order Notes*" shall be deemed to be deleted for purposes of this section in respect of the "C" Preference Shares.

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 Supplement Date have been given for the establishment of the Programme and the execution of this Supplement.

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 Supplement Date have been given for the Guarantor to execute and enter into the "C" Preference Share Guarantee and to perform its obligations under the "C" Preference Share 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 Supplement Date for the Guarantor to execute and enter into the "C" Preference Share Guarantee and to perform its obligations under the "C" Preference Share Guarantee.

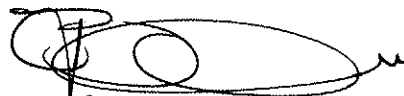
Listing

The Programme Memorandum was approved by the JSE on 16 May 2012, and amended by supplement on 25 June 2012. This Supplement was approved by the JSE on 14 December 2012. Registered "C" Preference Shares to be issued under the Programme may be listed on the Main Board of the JSE. Unlisted "C" Preference Shares may also be issued under the Programme. Unlisted "C" Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of "C" Preference Shares will be listed or not.

SIGNED at Cape Town on this the 14TH day of DECEMBER 2012.

For: **MACQUARIE SECURITIES SOUTH AFRICA PROPRIETARY LIMITED**

By: 
Name: GRAHAM CRAWFORD
Capacity: DIRECTOR

By: 
Name: JAMES BURGESS
Capacity: DIRECTOR

Issuer

Macquarie Securities South Africa Proprietary Limited

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Fax: 021 813 2849

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(Registration Number 1962/000738/06)

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Johannesburg, 2001

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South Africa

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Fax: 011 282 8544

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Sandton, 2146

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Contact: Ms L Gerstle/ Ms K Fazel

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Auditors to the Guarantor

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