APPENDIX

TERMS OF EMPLOYMENT

Mr Moore

The approach to determining Mr Moore's terms of employment and remuneration as Managing Director will be the same as has been adopted in relation to Mr Moss, as disclosed in the 2007 Macquarie Bank Limited Remuneration Report, with the exception of the change noted below in relation to Directors' Profit Share arrangements for senior management.

The existing arrangements which apply to the Managing Director are outlined in the 2007 Macquarie Bank Limited Remuneration Report, and the key features are summarised below:

Length of Contract	Permanent open-ended
Remuneration Review Period	1 April to 31 March annually
Fixed Remuneration	Mr Moore's fixed remuneration is currently unchanged from that disclosed in the Macquarie Bank Limited 2007 Remuneration Report, and will next be reviewed by the Board in May 2008 at the time of approving his performance-based remuneration in relation to the year ending 31 March 2008.
Directors' Profit Share Participation	Mr Moore will be eligible to participate in the Directors' Profit Share Plan as described in the 2007 Macquarie Bank Limited Remuneration Report (subject to the modification noted below). The Board's approach to allocating profit share is set out in the 2007 Macquarie Bank Limited Remuneration Report. Upon retirement from Macquarie, Mr Moore may be entitled to his vested retained profit share held under the Directors' Profit Share Plan, provided that it is determined that no disqualifying events have occurred.
Option Participation	Mr Moore will be eligible to participate in the Macquarie Group Employee Share Options Plan ("Option Plan"), in the form of five year options over ordinary unissued Macquarie Group Limited shares, under the terms described in the 2007 Macquarie Bank Limited Remuneration Report. Subject to discretions able to be exercised by the Board or its delegates, on termination from the Group, Mr Moore will be entitled to retain those options which have vested at termination date for six months.
Termination of Employment	Termination of employment by Macquarie requires five weeks' notice; termination of employment by Mr Moore requires four weeks' notice.

Changes to Directors' Profit Share Arrangements for Senior Management

The Board has decided that an additional portion of future Directors' Profit Share allocations to the Managing Director and other Executive Committee members will be withheld and invested in Macquarie Group shares for a minimum of three years.

It has been agreed that 35% of Directors' Profit Share allocations to Mr Moore from 2009 onwards will be withheld and invested in Macquarie Group shares on this basis, in addition to the 20% component that is already currently retained for ten years, or retirement if earlier, under the Directors' Profit Share Plan.

The introduction of this change will be phased in for Executive Committee members other than the Managing Director, such that 10% of their 2008 Directors' Profit Share allocations will be withheld and invested in Macquarie Group shares for a minimum of three years, increasing to 20% each year from 2009 onwards. Again, these amounts will be in addition to the 20% component that is already currently retained for ten years, or until retirement if earlier, under the Directors' Profit Share Plan.

Since Mr Moore's 2008 Directors' Profit Share allocation will relate to the period before he becomes Managing Director, he will be treated in the same way as other Executive Committee members in relation to this period, such that 10% of his 2008 Directors' Profit Share allocation will be withheld and invested on this basis.

Mr Moss

Mr Moss will be entitled to receive a profit share allocation in relation to the period up to the date of his retirement. He will also be entitled to receive his vested retained profit share, subject to the rules of the Directors' Profit Share Plan, and superannuation and applicable statutory entitlements.

The changes to the Directors' Profit Share arrangements for senior management noted above will not apply to Mr Moss in relation to his remaining Directors' Profit Share allocations, given his planned retirement.

It is intended that Mr Moss will be available to provide limited consulting services to assist with transition arrangements, as required, in the period following his retirement in May 2008, for which he will be remunerated at a rate of $500 per hour.

To the extent that Mr Moss continues as a consultant, he will continue to participate in the Option Plan in relation to previously issued options.

He will not receive any termination payments.