

MACQUARIE
BANK

IMF & IMG Series

MACQUARIE BANK LIMITED ABN 46 008 583 542
REGULAR & HOT INSTALMENTS

42 Series of Macquarie IMF Regular Instalments
37 Series of Macquarie IMG Hot Instalments
PRODUCT DISCLOSURE STATEMENT
7 November 2003

IMPORTANT NOTICE & DISCLAIMER

This is a Product Disclosure Statement (PDS).
The date of this PDS is 7 November 2003.

Purpose

Under this PDS Macquarie is inviting Applications for the issue of Macquarie Instalments in two categories - IMF regular Instalments and IMG hot Instalments.

Applications

Applications under this PDS must be made on the Application Form attached to this PDS. Except for Applications made by companies which are related bodies corporate of Macquarie, the Offer Period opens on 7 November 2003. Applications by related bodies corporate of Macquarie may be made from the date of this PDS. To the extent permitted by law, Macquarie may withdraw invitations and offers made under this PDS in respect of a particular Series at its absolute discretion at any time upon giving notice to the ASX.

Potential investors should lodge their Application Form with their stockbroker or licensed financial adviser, or directly with Macquarie.

Cooling-off Rights

No cooling-off rights apply to the issue of Macquarie Instalments. This means that, in most circumstances, you cannot withdraw an Application once it has been made.

Foreign Jurisdictions

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this PDS comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This PDS is not an offer or invitation in relation to Macquarie Instalments in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. None of the Macquarie Instalments or the Shares transferred under the Macquarie Instalments or this PDS have been or will be lodged or registered under the United States Securities Act of 1933, as amended and may not be offered or sold directly or indirectly in the United States.

Changes to Information in PDS

This PDS is current as at 7 November 2003. Information in this PDS is subject to change from time to time. Where information that is not materially adverse to Holders changes, Macquarie will update the information by posting a notice on its website at macquarie.com.au/instalments. Macquarie will provide a paper copy of updated information upon request to Macquarie on 1800 803 010.

Representations

This PDS has been prepared and issued by Macquarie Bank Limited as Issuer. Any other parties distributing this product are only doing so as a distributor for Macquarie Bank Limited. Potential investors should only rely on information in this PDS. No person is authorised to give any information or to make any representation in connection with the offer of Macquarie Instalments that is not contained in this PDS. Any information or representation not so contained may not be relied upon as having been authorised by Macquarie in connection with the offer.

The Security Trustee (Belike Nominees Pty Ltd) is a wholly owned subsidiary of Macquarie Bank Limited. Belike Nominees Pty Ltd is not an authorised deposit taking institution for the purposes of the Banking Act (Cth) 1959, and Belike Nominees Pty Ltd's obligations do not represent deposits or liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Belike Nominees Pty Ltd.

Underlying Entity

References in this PDS to the Australian Gas Light Company, Alumina Limited, Aristocrat Leisure Limited, Amcor Limited, AMP Limited, Australia and New Zealand Banking Group Limited, BHP Billiton Limited, BHP Steel Limited, Billabong International Limited, Brambles Industries Limited, Commonwealth Bank of Australia, Coochlear Limited, Coles Myer Limited, CSL Limited, Foodland Associated Limited, Foster's Group Limited, John Fairfax Holdings Limited, Harvey Norman Holdings Limited, Insurance Australia Group Limited, Lend Lease Corporation Limited, Macquarie Airports, Macquarie Communication Infrastructure Group, Macquarie Infrastructure Group, Mayne Group Limited, National Australia Bank Limited, Newcrest Mining Limited, Newmont Mining Corporation, The News Corporation Limited, Origin Energy Limited, Paperlinx Limited, Patrick Corporation Limited, Promina Group Limited, Publishing & Broadcasting Limited, Qantas Airways Limited, QBE Insurance Group Limited, Rio Tinto Limited, Santos Limited, Seven Network Limited, Southcorp Limited, St George Bank Limited, Suncorp-Metway Limited, streetTRACKS® S&P/ASX 50 Fund, streetTRACKS® S&P/ASX 200 Fund, Tabcorp Holdings Limited, Telstra Corporation Limited, Toll Holdings Limited, Wesfarmers Limited, Westfield Holdings Limited, Westpac Banking Corporation, WMC Resources Limited, Woodside Petroleum Limited and Woolworths Limited, or to AGL, AWC, ALL, AMC, AMP, ANZ, BHP, BSL, BBG, BIL, CBA, COH, CML, CSL, FOA, FGL, FXJ, HVN, IAG, LLC, MAP, MCG, MIG, MAY, NAB, NCM, NEM, NCP, ORI, PPX, PRK, PMN, PBL, QAN, QBE, RIO, STO, SEV, SRP, SGB, SUN, SFY, STW, TAH, TLS, TOL, WES, WSF, WBC, WMR, WPL, WOW, or to the defined terms for those entities are included solely for the purposes of identification of the Shares to which the Macquarie Instalments relate and to the Listed Entities of the Shares. Such references are not to be construed as any express or implied endorsement by the Listed Entity of this issue of Macquarie Instalments, nor does any Listed Entity accept any responsibility for any statement in this PDS nor undertake any liability in respect of the Macquarie Instalments.

This PDS has been prepared by Macquarie only from publicly available information. The Listed Entities have not been party to its preparation or furnished any information specifically to Macquarie for the purpose of its preparation. Nothing in this PDS can be relied upon as implying that there has been no change in the affairs of any Listed Entity or Macquarie since the date as at which information is given in this PDS, or as a representation as to the future in relation to any Listed Entity or Macquarie.

Similarly, information in this PDS concerning those Listed Entities has not been independently verified. To the extent permitted by law, Macquarie does not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

Own Advice

The information provided in this PDS is not financial product advice, and has been prepared without taking into account your individual investment objectives or personal circumstances. You should read the whole of this PDS and consider all of the risks and other information relating to Macquarie Instalments before deciding to invest. If you have any questions, you should contact your stockbroker, accountant or other professional adviser before deciding to invest in Macquarie Instalments.

MAP – Macquarie Airports

The Macquarie Group acted as lead manager to the placement of shares in Macquarie Airports announced 16 July 2003. Macquarie Airports Management Limited and Macquarie Airports Holdings (Bermuda) Limited, the issuer of stapled securities in Macquarie Airports ("MAP") are related bodies corporate of Macquarie. Macquarie acted as joint underwriter to the entitlement offer of stapled securities in MAP announced 16 July 02, as lead manager to the initial public offer of MAP announced 01 March 02, as underwriter to the initial instalment and as adviser to each consortium in which MAP participated in connection with its investment in Sydney Airport and in Aeroporti Di Roma.

MCG – Macquarie Communications Infrastructure Group

Macquarie Communications Infrastructure Limited and Macquarie Specialised Asset Management Limited as the responsible entity of Macquarie Communication Infrastructure Trust (collectively Macquarie Communications Infrastructure Group or "MCG") are related bodies corporate of Macquarie. Macquarie acted as joint lead manager and joint underwriter to the offering of securities in MCG, announced 8 July 2002 and is a substantial securities holder in MCG.

MIG – Macquarie Infrastructure Group

Macquarie Infrastructure Investment Management Limited, in its capacity as responsible entity of Macquarie Infrastructure Trusts I and II, and Macquarie European Infrastructure plc, each a related body corporate of Macquarie, were the issuers of stapled securities in Macquarie Infrastructure Group (MIG), received fees for acting in this capacity and hold stapled securities. The Macquarie Group acted as joint underwriter to the entitlement offer of stapled securities in MIG announced 20 March 2002 acted as underwriter to the public offering of stapled securities in MIG announced 7 September 2001 and acted as placement agent to the placement of units in MIG on 4 April 2001.

Admission to trading status on ASX

Application has been made and permission given for the Macquarie Instalments offered under this PDS to be admitted to trading status by the ASX. The fact that the ASX has admitted the Macquarie Instalments to trading status is not to be taken in any way as an indication of the merits of Macquarie or of the Macquarie Instalments.

Commencement of trading of the Macquarie Instalments pursuant to this PDS will occur as soon as practicable after the issue of Macquarie Instalments to subscribers.

The ASX does not warrant the accuracy or truth of the contents of this PDS. In admitting the Macquarie Instalments to trading status and not objecting to the Terms, the ASX has not authorised or caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to the Macquarie Instalments. The ASX takes no responsibility for the contents of this PDS. In particular, the ASX has not formed a view as to whether this PDS complies with the "reasonable investor" standard of disclosure contained in Rule 8.7.5 of the ASX Business Rules, these matters being the responsibility of Macquarie. The ASX makes no representation as to whether this PDS and the Terms of the Macquarie Instalments comply with the Corporations Act or the ASX Business Rules.

To the extent permitted by the Trade Practices Act or any other relevant law, the ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, where that claim arises wholly or substantially out of reliance on any information contained in this PDS or any error in, or omission from, this PDS.

This PDS complies in all respects with the information requirements of Section 8 of the Business Rules as varied by the ASX with respect to this PDS. The ASX has waived compliance with Business Rules 8.5AA.8 and 8.17 B.

Terminology

Some words used in this PDS have defined meanings, which are set out in the Glossary in Section 9. Macquarie Instalments will be admitted to trading status by the ASX as warrants under the Warrant Rules in Section 8 of the ASX Business Rules. The terminology used in this PDS varies from the terminology used in the Warrant Rules, as follows:

- Macquarie Instalment in this PDS corresponds to warrant in the Warrant Rules
- HPO Exercise Price in this PDS corresponds to exercise price in the Warrant Rules
- HPO Expiry Date in this PDS corresponds to expiry date in the Warrant Rules
- HPO Exercise Notice in this PDS corresponds to exercise notice in the Warrant Rules
- Terms in this PDS corresponds to Terms of Issue in the Warrant Rules



Product Disclosure Statement

MACQUARIE BANK LIMITED ABN 46 008 583 542
IMF & IMG SERIES OF REGULAR AND HOT INSTALMENTS

IMF Series

42 Series of Macquarie IMF regular Instalments are offered over Shares in

Australian Gas Light Company (The)
Aristocrat Leisure Limited
Ampcor Limited
AMP Limited
Australia and New Zealand Banking Group Limited
BHP Billiton Limited
BHP Steel Limited
Billabong International Limited
Brambles Industries Limited
Commonwealth Bank of Australia
Cochlear Limited
Coles Myer Limited
CSL Limited
Foodland Associated Limited
Foster's Group Limited
John Fairfax Holdings Limited
Harvey Norman Holdings Limited
Insurance Australia Group Limited
Lend Lease Corporation Limited
Macquarie Airports
Macquarie Communications Infrastructure Group
Macquarie Infrastructure Group
Mayne Group Limited
National Australia Bank Limited
The News Corporation Limited
Origin Energy Limited
Paperlinx Limited
Patrick Corporation Limited
Promina Group Limited
Qantas Airways Limited
Rio Tinto Limited
Santos Limited
Seven Network Limited
streetTRACKS® S&P/ASX 50 Fund
streetTRACKS® S&P/ASX 200 Fund
Suncorp-Metway Limited
Telstra Corporation Limited
Toll Holdings Limited
Westpac Banking Corporation
Wesfarmers Limited
Woolworths Limited
Westfield Holdings Limited

IMG Series

37 Series of Macquarie IMG hot Instalments are offered over Shares in

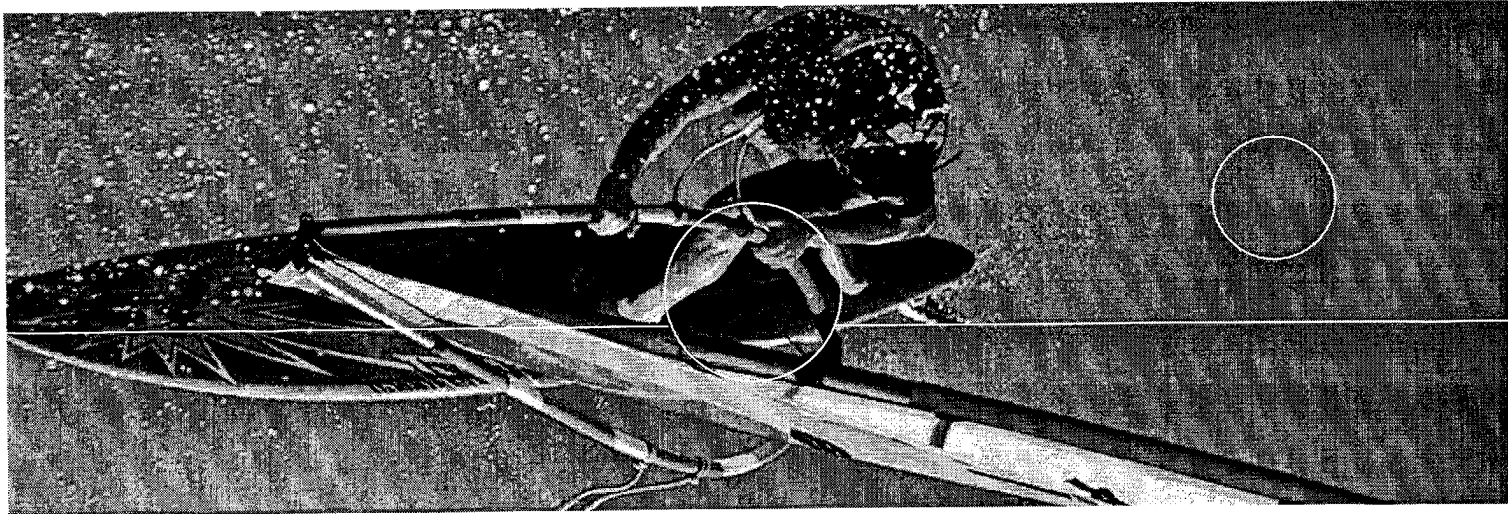
Australian Gas Light Company (The)
Alumina Limited
AMP Limited
Australia and New Zealand Banking Group Limited
BHP Billiton Limited
BHP Steel Limited
Brambles Industries Limited
Commonwealth Bank of Australia
Coles Myer Limited
CSL Limited
Foster's Group Limited
John Fairfax Holdings Limited
Lend Lease Corporation Limited
Macquarie Airports
Macquarie Infrastructure Group
National Australia Bank Limited
The News Corporation Limited
Newcrest Mining Limited
Newmont Mining Corporation
Promina Group Limited
Publishing & Broadcasting Limited
Qantas Airways Limited
QBE Insurance Group Limited
Rio Tinto Limited
Santos Limited
Southcorp Limited
streetTRACKS® S&P/ASX 50 Fund
streetTRACKS® S&P/ASX 200 Fund
St George Bank Limited
Suncorp-Metway Limited
Tabcorp Holdings Limited
Telstra Corporation Limited
Westpac Banking Corporation
WMC Resources Limited
Woodside Petroleum Limited
Woolworths Limited
Westfield Holdings Limited

at a glance

Issuer	Macquarie Bank Limited (ABN 46 008 583 542) No. 1 Martin Place Sydney NSW 2000, Australia Phone: 1800 803 010 Email: warrants@macquarie.com.au Website: macquarie.com.au/instalments
ASX Instalment Code	Macquarie regular Instalments (share code) IMF (eg. CBAIMF) Macquarie hot Instalments (share code) IMG (eg. CBAIMG)
Completion Payment	Equals the Initial Completion Payment (refer to Tables 1 & 2 on pages 4 & 5)*
Maximum Issue Size Per Instalment Series	10 million (30 million for MAPIMF)
Offer Period Opens	7 November 2003
Expected commencement of trading on the ASX	7 November 2003: FOAIMF; IAGIMF; MCGIMF; PMNIMF**; PPXIMF; AWCIMG; BSLIMG; MAPIMG; NEMIMG; PBLIMG; PMNIMG; TAHIMG; WMRIMG 19 November 2003: AGLIMG; ALLIMG; AMCIMF; AMPIMF; ANZIMG; BHPIMG; BSLIMG; BBGIMF; BILIMG; CBAIMF; COHIMG; CMLIMG; CSLIMG; FGLIMG; FXJIMG; HVNIMG; LLCIMG; MAPIMG; MIGIMG; MAYIMG; NABIMG; NCPIMG; ORGIMG; PRKIMG; QANIMG; RIOIMG; STOIMG; SEVIMG; SFYIMG; STWIMG; SUNIMG; TLSIMG; TOLIMG; WBCIMG; WESIMG; WOWIMG; WSFIMG AGLIMG; AMPIMG; ANZIMG; BHPIMG; BILIMG; CBAIMG; CMLIMG; CSLIMG; FGLIMG; FXJIMG; LLCIMG; MIGIMG; NABIMG; NCMIMG; NCPIMG; QANIMG; QBEIMG; RIOIMG; STOIMG; SRPIMG; SFYIMG; STWIMG; SGBIMG; SUNIMG; TLSIMG; WBCIMG; WPLIMG; WOWIMG; WSFIMG

*The Completion Payment will be reset each Annual Reset Date commencing 18 November 2004.

**PMNIMF commenced trading on the ASX on 12 May 2003.



Maturity Date	20 November 2006
Investment Term	Up to 3 years with an annual reset feature
Gearing Level	Macquarie IMF regular Instalments – approximately 40% to 70% of the Underlying Share price. Macquarie IMG hot Instalments – approximately 70% to 95% of the Underlying Share price
Reinvestment of Cashback?	Available for Shareholder and Rollover Applications. Automatic for Rollover Cashback under Instalment Reinvestment Plan.
Annual Reset Date	The Loan Amount will be reset on each Annual Reset Date until Maturity depending on changes in the Underlying Share price. Interest and Borrowing Fees are also payable at this time for the following year.
Next Annual Reset Date	18 November 2004
Registrar	Computershare Investor Services Pty Limited Level 3 60 Carrington Street Sydney NSW 1115, Australia Phone: 1300 364 060 Website: computershare.com.au

Note:

- The Offer Period will continue past the ASX listing date.
- The Offer Period may be closed early by Macquarie upon giving notice to the ASX.

Table 1:

Summary Table of Macquarie IMF regular Instalments

ASX Instalment Code	Minimum Application Size		Initial Completion Payment*
	Cash Applications	Shareholder Applications	
AGLIMF	\$2,000	750	\$7.00
ALLIMF	\$2,000	4,000	\$1.25
AMCIMF	\$2,000	1,000	\$5.25
AMPIMF	\$2,000	1,250	\$4.00
ANZIMF	\$2,000	500	\$11.50
BHPIMF	\$2,000	750	\$6.50
BSLIMF	\$2,000	1,500	\$3.25
BBGIMF	\$2,000	1,000	\$4.75
BILIMF	\$2,000	1,500	\$3.00
CBAIMF	\$2,000	250	\$19.00
COHIMF	\$2,000	250	\$20.00
CMLIMF	\$2,000	1,000	\$4.50
CSLIMF	\$2,000	500	\$11.00
FOAIMF	\$2,000	500	\$12.00
FGLIMF	\$2,000	1,500	\$3.20
FXJIMF	\$2,000	2,250	\$2.25
HVNIMF	\$2,000	2,750	\$1.75
IAGIMF	\$2,000	2,000	\$2.50
LLCIMF	\$2,000	750	\$6.50
MAPIMF	\$2,000	4,250	\$1.15
MCGIMF	\$2,000	2,500	\$2.00
MIGIMF	\$2,000	2,250	\$2.25
MAYIMF	\$2,000	2,500	\$2.00
NABIMF	\$2,000	250	\$21.50
NCPIMF	\$2,000	500	\$8.00
ORGIMF	\$2,000	2,000	\$2.50
PPXIMF	\$2,000	1,500	\$3.50
PRKIMF	\$2,000	500	\$8.50
PMNIMF	\$2,000	5,000	\$1.00
QANIMF	\$2,000	2,250	\$2.25
RIOIMF	\$2,000	250	\$21.00
STOIMF	\$2,000	1,250	\$4.00
SEVIMF	\$2,000	1,500	\$3.50
SFYIMF	\$2,000	250	\$20.00
STWIMF	\$2,000	250	\$20.00
SUNIMF	\$2,000	500	\$8.00
TLSIMF	\$2,000	1,500	\$3.25
TOLIMF	\$2,000	1,000	\$4.50
WBCIMF	\$2,000	500	\$10.00
WESIMF	\$2,000	250	\$17.00
WOWIMF	\$2,000	750	\$7.00
WSFIMF	\$2,000	500	\$9.00

*Applicable as at 7 November 2003. The Completion Payment will be reset each Annual Reset Date commencing 18 November 2004. The Maturity Date is 20 November 2006.

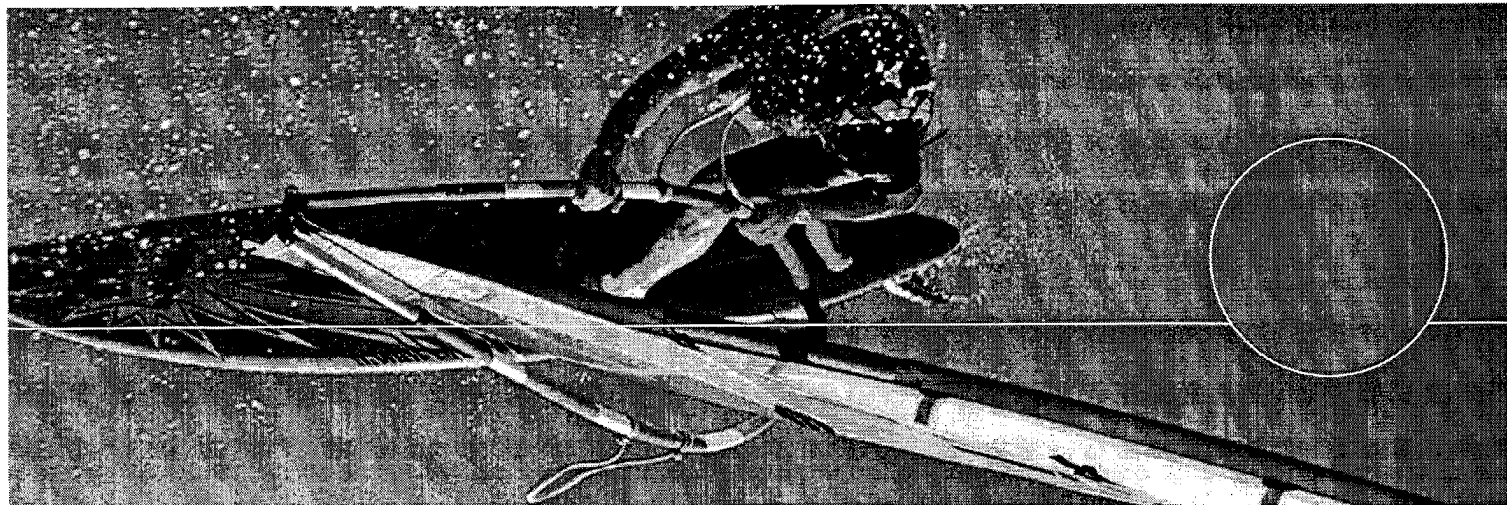
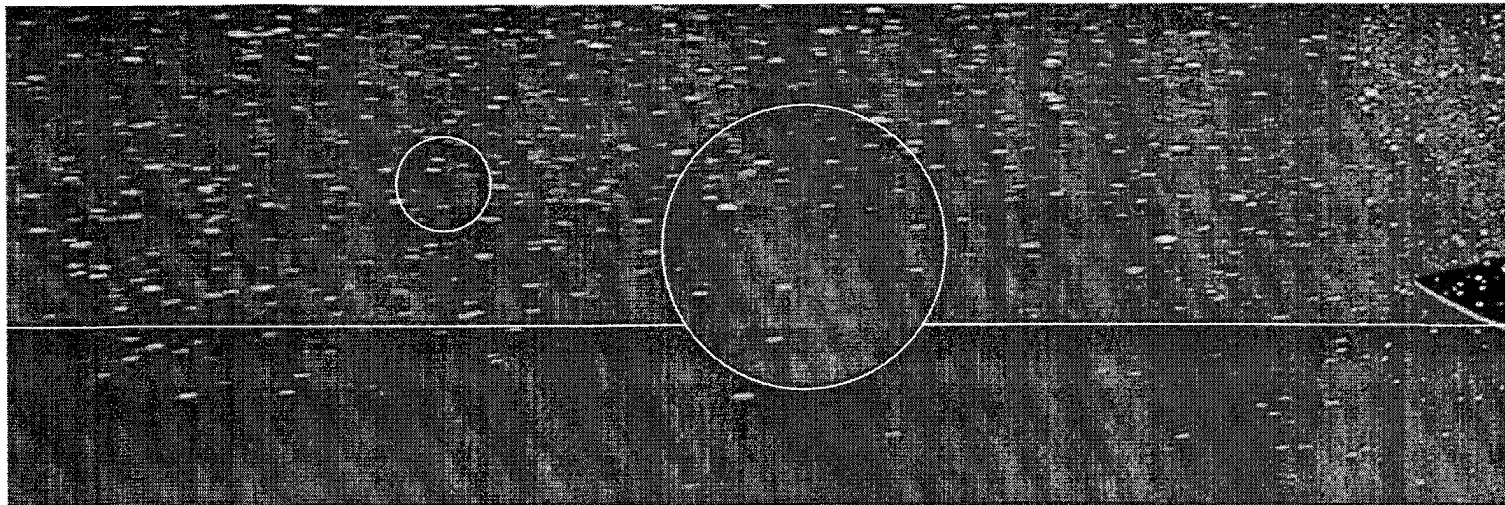


Table 2:

Summary Table of Macquarie IMG hot Instalments

ASX Instalment Code	Minimum Application Size		Initial Completion Payment*
	Cash Applications	Shareholder Applications	
AGLIMG	\$2,000	500	\$9.00
AWCIMG	\$2,000	1,000	\$4.75
AMPIMG	\$2,000	750	\$6.00
ANZIMG	\$2,000	250	\$15.50
BHPIMG	\$2,000	500	\$9.50
BSLIMG	\$2,000	1,000	\$4.50
BILIMG	\$2,000	1,250	\$4.00
CBAIMG	\$2,000	250	\$25.00
CMLIMG	\$2,000	750	\$6.50
CSLIMG	\$2,000	250	\$15.00
FGLIMG	\$2,000	1,250	\$4.00
FXJIMG	\$2,000	1,500	\$3.00
LLCIMG	\$2,000	500	\$9.00
MAPIMG	\$2,000	2,750	\$1.75
MIGIMG	\$2,000	1,500	\$3.00
NABIMG	\$2,000	250	\$28.00
NCPIMG	\$2,000	500	\$11.00
NCMIMG	\$2,000	500	\$9.00
NEMIMG	\$2,000	1,000	\$4.50
PMNIMG	\$2,000	2,000	\$2.50
PBLIMG	\$2,000	500	\$9.50
QANIMG	\$2,000	1,500	\$3.00
QBEIMG	\$2,000	500	\$8.50
RIOIMG	\$2,000	250	\$30.00
STOIMG	\$2,000	1,000	\$5.00
SRPIMG	\$2,000	1,750	\$2.75
SFYIMG	\$2,000	250	\$28.00
STWIMG	\$2,000	250	\$28.00
SGBIMG	\$2,000	250	\$17.50
SUNIMG	\$2,000	500	\$10.50
TAHIMG	\$2,000	500	\$9.50
TLSIMG	\$2,000	1,000	\$4.50
WBCIMG	\$2,000	500	\$14.00
WMRIMG	\$2,000	1,000	\$4.25
WPLIMG	\$2,000	500	\$11.50
WOWIMG	\$2,000	500	\$10.00
WSFIMG	\$2,000	500	\$12.00

*Applicable as at 7 November 2003. The Completion Payment will be reset each Annual Reset Date commencing 18 November 2004. The Maturity Date is 20 November 2006.



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Investment Overview

This Section contains a brief summary only of certain material features relating to Macquarie Instalments. Detailed information relating to the offer to subscribe for Macquarie Instalments can be found in the following sections of this PDS. Potential investors should read this PDS in its entirety before making any investment decision.

Macquarie Instalments are long term, tax efficient investments which allow for either a moderately geared (through the IMF regular Instalments) or highly geared (through the IMG hot Instalments) exposure to the Underlying Shares.

Investing in Macquarie Instalments is a convenient way to enhance your exposure to capital growth, ordinary dividends and franking credits from a selection of 52 different Australian listed Shares.

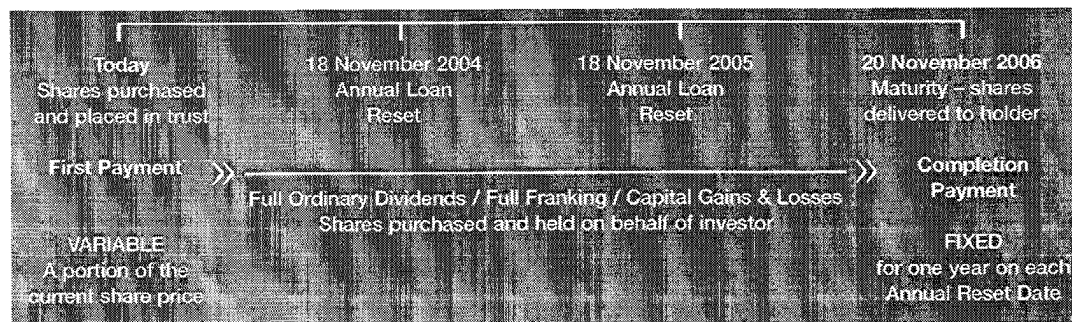
If you have a positive view on the Underlying Share and you want to benefit from Share price increases, ordinary dividend income and franking credits with potential taxation benefits, then Macquarie Instalments may be the ideal investment for you or your Self Managed Super Fund.

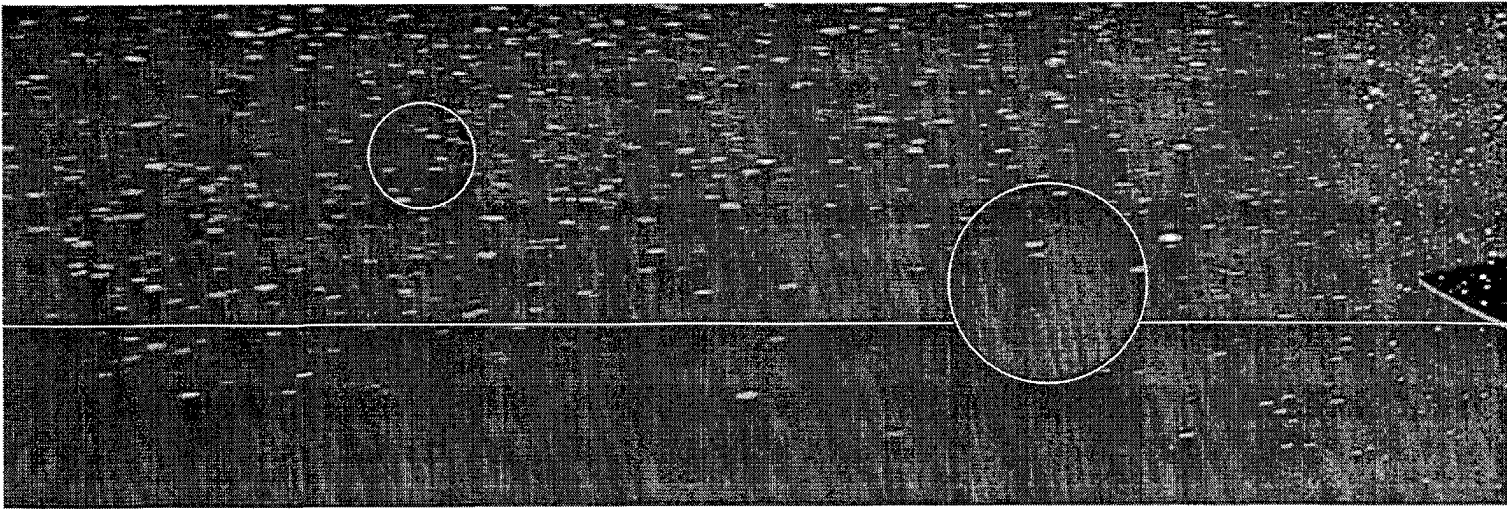
What are Macquarie Instalments?

Macquarie Instalments are a way of borrowing to invest in Shares. You pay a fraction of the total Share price upfront, borrow the rest from Macquarie and receive Instalments which are listed on the Australian Stock Exchange (ASX). The Shares are then held in trust for you during the life of the Instalment (subject to the Security Interest).

During the investment term all ordinary dividends (subject to any deduction for or on account of any tax) and franking credits paid on the Shares are paid to you by the Security Trustee. The Completion Payment (the Current Loan Amount) may be repaid at any time but is not compulsory at the end of the Loan. If you do make the Completion Payment you will receive the fully paid Underlying Shares.

Once a year, on the Annual Reset Date (18 November), Macquarie resets the Loan Amount and investors are required to pay an Interest Amount and Borrowing Fees for the following year. Any increase in the Loan Amount will be off set against the fees payable.





What are the Key Features and Benefits of Investing in Macquarie Instalments?

An investment in Macquarie Instalments gives you:

- * a convenient way to enhance your exposure to capital growth, ordinary dividends and franking credits in a range of Australian listed Shares;
- * the potential to earn greater returns than an equivalent investment in the Underlying Shares;
- * a highly effective method of creating long term wealth with the potential for tax benefits;
- * enhanced dividend yields and franking benefits;
- * yearly reset of Loan Amounts;
- * the option to make a Completion Payment equal to the outstanding amount of the Loan and receive the Underlying Shares;
- * a flexible investment that may be sold on the ASX at any time up to and including Maturity, if required;
- * a straight forward investment that has no credit checks or complicated loan documentation;
- * a convenient tax statement sent to you annually; and
- * an eligible investment for Self Managed Super Funds.

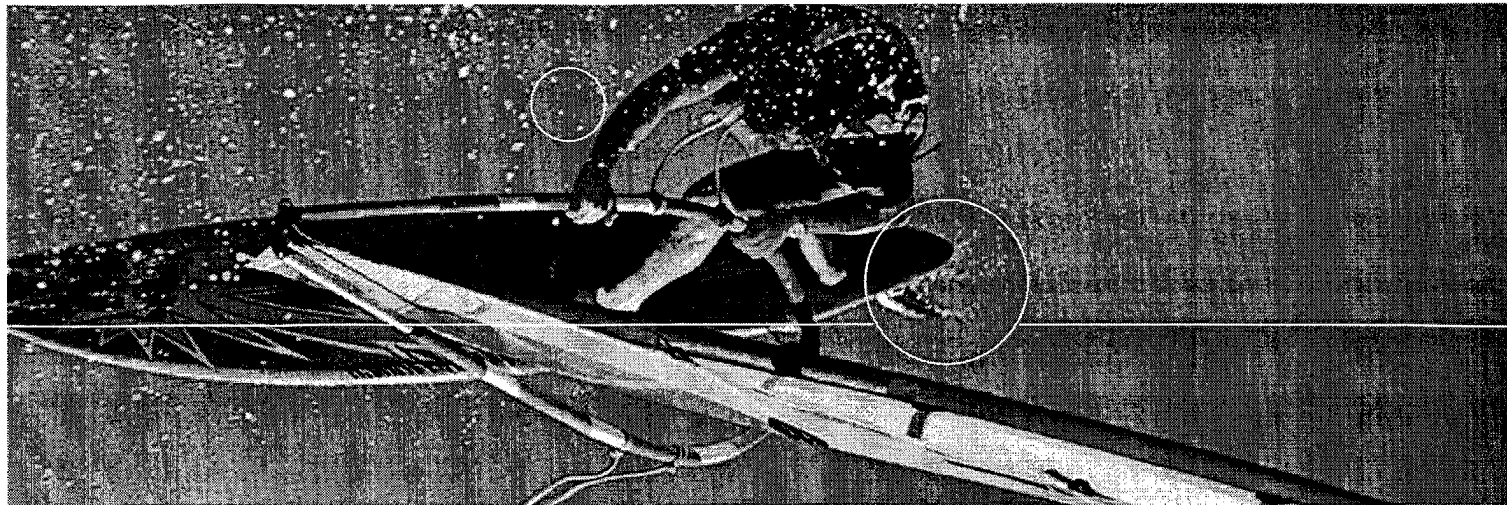
What are the Risks of Investing in Macquarie Instalments?

As with any investment decision, you need to consider an investment in Macquarie Instalments carefully and in light of your individual circumstances.

Potential risks of investing in Macquarie Instalments may include:

- * a decrease in the Underlying Share price decreasing the value of your investment;
- * increases in interest rates and share price volatility giving rise to a higher cost of funding in future years;
- * a change to the corporate structure of the Underlying Share (eg takeover, scheme of arrangement or delisting) which may affect the value of your investment;
- * Macquarie Bank or the Security Trustee not performing their duties;
- * on each Annual Reset Date, if you do not make the Rollover Payment (if one is required), your Instalment holding may be reduced. Depending on the amount payable, your holding could be reduced to zero; and
- * all the general risks of investing in listed shares.

You should refer to Section 3 'Risks You Should Consider' on page 31 of this PDS for more detailed information about the risks of investing in Macquarie Instalments.



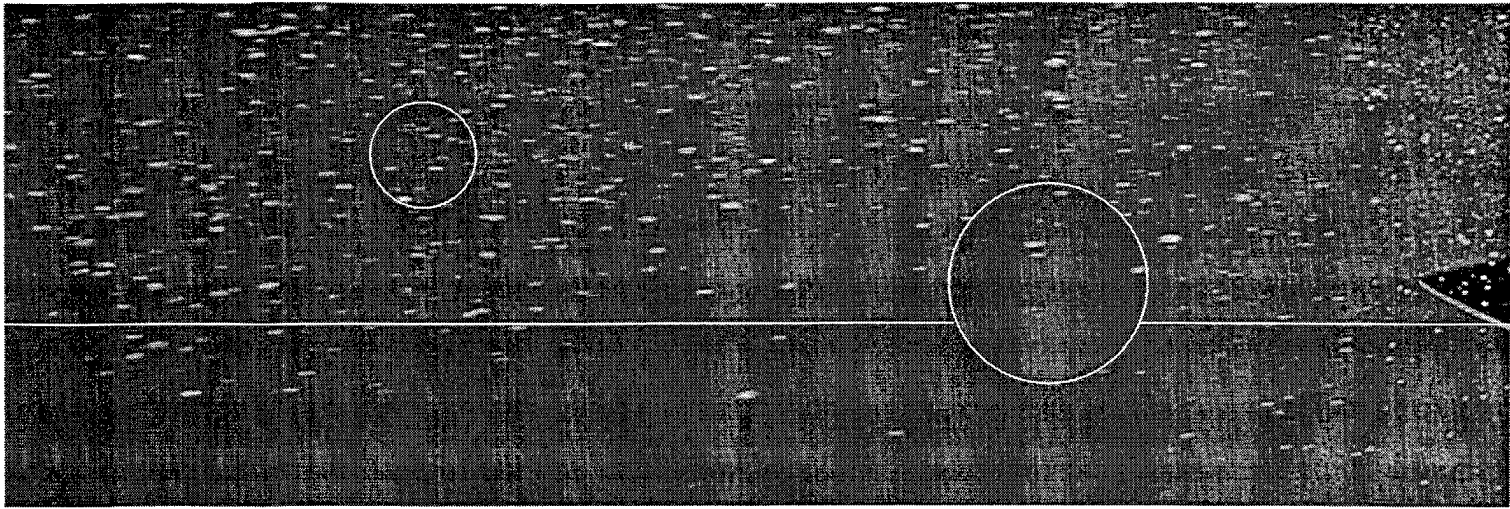
How Do Macquarie Instalments Work?

Timing	What happens on a Cash Application	Example of Cash Application
When you first buy Instalments	- You pay a fraction of the Share price upfront. - You borrow the Loan Amount (Completion Payment) for up to 3 years, subject to annual adjustments. - You pay interest and fees from the Loan Proceeds. - The Shares are bought and held in trust for you. - The amount of the Loan is set for up to 1 year.	Claire is a long-term investor. She has \$10,000 to invest in shares, but wants to accelerate her wealth creation and make her investments more tax-efficient. Claire's adviser suggested that instead of buying Commonwealth Bank (CBA) shares, she buy Macquarie IMF regular Instalments over CBA Shares. CBA shares are currently trading at \$27.50[†]. Claire pays \$10.29 for each Macquarie Instalment. The Completion Payment (Loan Amount) is \$19.00. From this Loan, an Interest Amount of \$1.48 and Borrowing Fees of \$0.31 are paid to Macquarie. Claire buys 971 Macquarie CBAIMF Instalments.
During the life of the Instalment	You receive all ordinary dividend income and franking credits on the Shares.*	Claire will receive the benefits of ordinary dividends* and franking credits on her 971 Instalments, more than doubling her dividend yield compared to an investment in ordinary CBA Shares.
Each year on the Annual Reset Date	- The Loan Amount is revised either upward or downwards depending on the movement in the Underlying Share price, and Interest and Borrowing Fees for the next 12 months are payable. - This may result in you either being entitled to receive a payment or having to make a payment to maintain your full holding of Macquarie Instalments.	The CBA Share price has increased to \$30.00. Claire's Loan Amount is reset higher and the additional Loan Amount is used to fund the Interest Amount and Borrowing Fees for the next year. Claire uses the balance to purchase more CBA Macquarie Instalments through the Instalment Reinvestment Plan.
On the Maturity Date (20 November 2006)	You can choose to: - roll over your investment into a new series of Macquarie Instalments; - make the Completion Payment and receive the Underlying Shares; or - exercise the Holder's Put Option and receive a payment equal to the amount (if any) by which the Market Value of the Underlying Shares exceeds the Current Loan Amount.	Claire decides to make the Completion Payment and receive her CBA Shares.

[†] Hypothetical example of CBA share prices only. Macquarie makes no representations as to future prices.

* Subject to any deduction for or on the account of any tax.

You should refer to Section 2.1 of this PDS for further details.



Who Do They Suit?

Macquarie Instalments may suit you if you:

- are looking to spend less upfront and get greater exposure to any share price increases, ordinary dividends and franking credits which can help to accelerate your wealth and reach your investment goals sooner;
- are looking to benefit from increased franking credit flow;
- are looking for an alternative to other forms of gearing into shares without the risk of margin calls;
- want to make a larger investment into shares than your available capital would currently allow;
- want to unlock your existing shareholdings and diversify your investment portfolio and receive cashback to purchase other shares or instalments;
- have a Self Managed Super Fund and are looking to enhance capital growth, increase dividend yields and earn excess franking credits which can help reduce earnings and contributions tax paid by the fund.

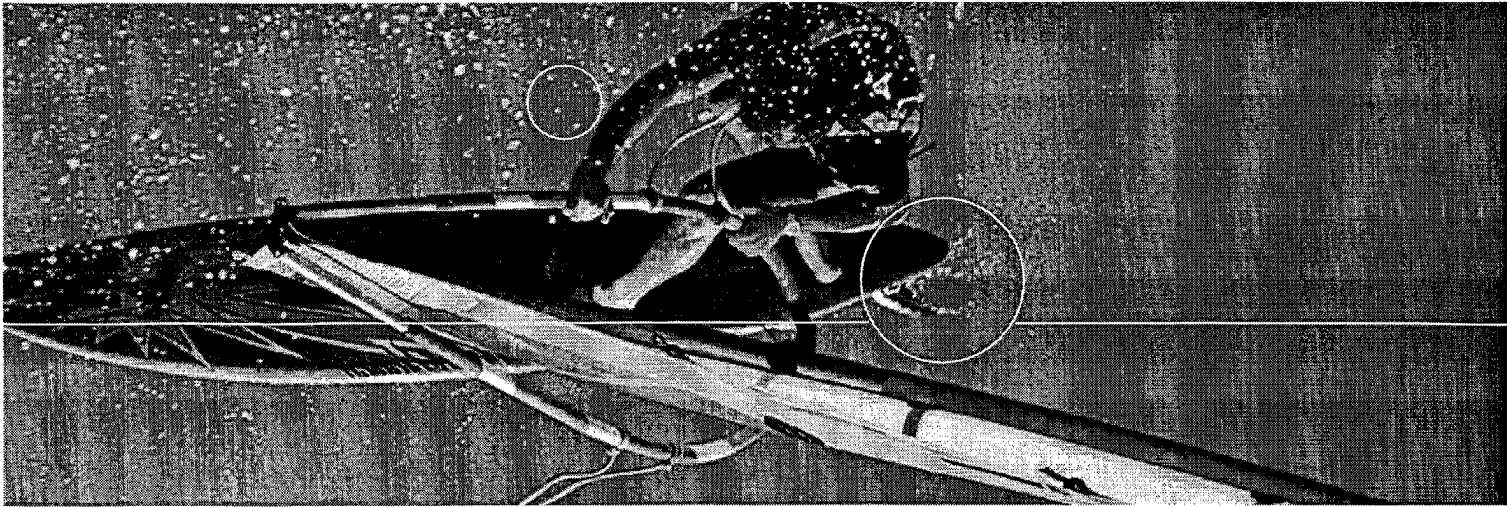
What Are the Differences Between the IMF Regular and IMG Hot Instalment Series?

The holders of Macquarie IMF and IMG Instalments have the same rights and obligations in relation to their Instalments as each other. The difference between the series is that the IMF regular Series are more moderately geared compared to the IMG hot Series which are more highly geared. This means that the Loan Amount for the same Underlying Share is lower for the IMF Instalments than the IMG Instalments. The gearing level of the IMF regular Instalments will be maintained within a range of approximately 40% to 70% of the Underlying Share price compared to the IMG hot Instalments which are maintained at levels between 70% to 95%.

Because of the lower gearing levels, the IMF regular Instalments have a higher First Payment and lower Completion Payment than the IMG hot Instalments. The Interest Amount and Borrowing Fees for the IMF regular Instalments will also be lower than for a IMG hot Instalment as will any cashback arising from a Shareholder Application.

The higher geared IMG hot Instalments have a greater return potential but also greater risks than the IMF regular Instalments.

Please refer to Section 3 ("Risks You Should Consider") for further details.

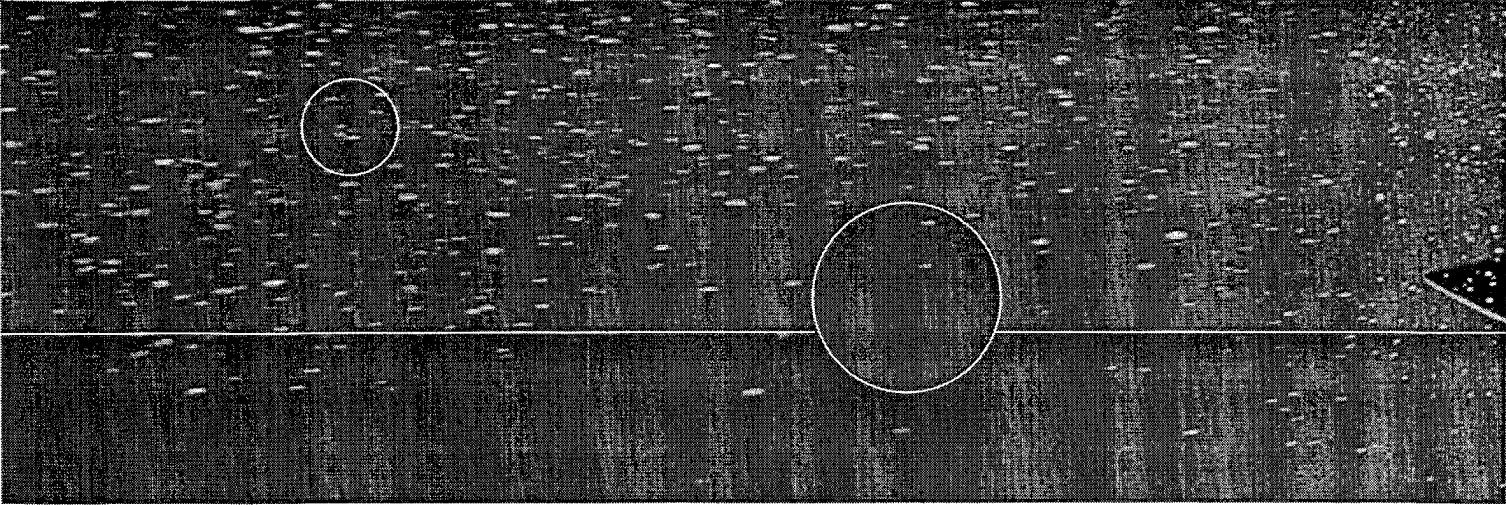


Who Can Apply?

Macquarie has a range of Instalments to suit a variety of different investors and risk profiles. Macquarie Instalments can be purchased under this PDS using the Cash Application Form, or by converting your existing Shares to Instalments using the Shareholder Application Form. Holders of other Series of Macquarie Instalments may roll their holdings into this Series by using the Rollover Application Form (this may suit Self Managed Super Fund investors who are unable to make Shareholder Applications).

Application Forms and Instructions are found in Section 10 of this PDS.

	Cash Applicant	Shareholder Applicant	Rollover Applicant
Who Can Apply	Australian Residents	Current holders of shares in Listed Entities (excluding Self Managed Super Funds)	Current holders of Prior Series Instalments
Minimum Application Amount	\$2,000	Varies depending on Series (see Application Form)	No minimum
Amount Payable on Application	First Payment	Nil	Variable depending on Series
Amount Received on Application	Nil	Cashback amount – varies depending on Series and the Underlying Share price	Cashback amount for some Series
Application Form	Cash Application Form (White)	Shareholder Application Form (Blue)	Rollover Application Form (Green)



How Do I Buy and Sell Macquarie Instalments?

Before you invest in Macquarie Instalments it is important that you have read and understood the terms set out in this PDS. You should also read the ASX booklet 'Understanding Trading and Investment Warrants' which is available free of charge from the ASX or from Macquarie. If you have any questions, you should contact your stockbroker, accountant or other professional adviser.

Macquarie Instalments can be purchased either by making an Application under this PDS (ie in the primary market) or on the ASX (ie in the secondary market).

Primary Market Cash Applications

To apply for Macquarie Instalments in the primary market you must complete the Cash Application Form for the IMF regular Instalments or for the IMG hot Instalments in this PDS and submit it with payment to your licensed financial adviser, stockbroker or directly to Macquarie.

Primary Market Shareholder Applications

If you own Shares that have performed well, you may be faced with a common dilemma. Selling your Shares now would mean giving up any future Share price gain or dividend income and it may also result in triggering a capital gains tax liability.

You can convert your existing holding of Shares to Macquarie Instalments in order to maintain Share exposure and release cash for other investments without triggering a capital gains tax liability. The cash received back can be used to diversify your portfolio into other shares or Instalments or used for business or other investment purposes.

To convert your existing holding of Shares to Macquarie Instalments and receive the cashback, you need to complete the Shareholder Application Form for the IMF regular Instalments or for the IMG hot Instalments in this PDS and submit it with your Holding Statement to your licensed financial adviser, stockbroker or directly to Macquarie.

Primary Market Rollover Applications

If you are a current owner of a Prior Series of Macquarie Instalments you may wish to roll them into Macquarie Instalments offered under this PDS without the costs and capital gains issues of selling and rebuying on the ASX. By rolling your existing Instalments you will retain exposure to the underlying Shares, obtain a new Loan and depending on which Series you held, potentially receive a cash back amount to use for business or other investment purposes. This method of Application may also be used by Self Managed Superannuation Funds who are already holders of Instalments and are unable to use Shareholder Applications.

You need to complete the Rollover Application Form for IMF regular and IMG hot instalments in this PDS.

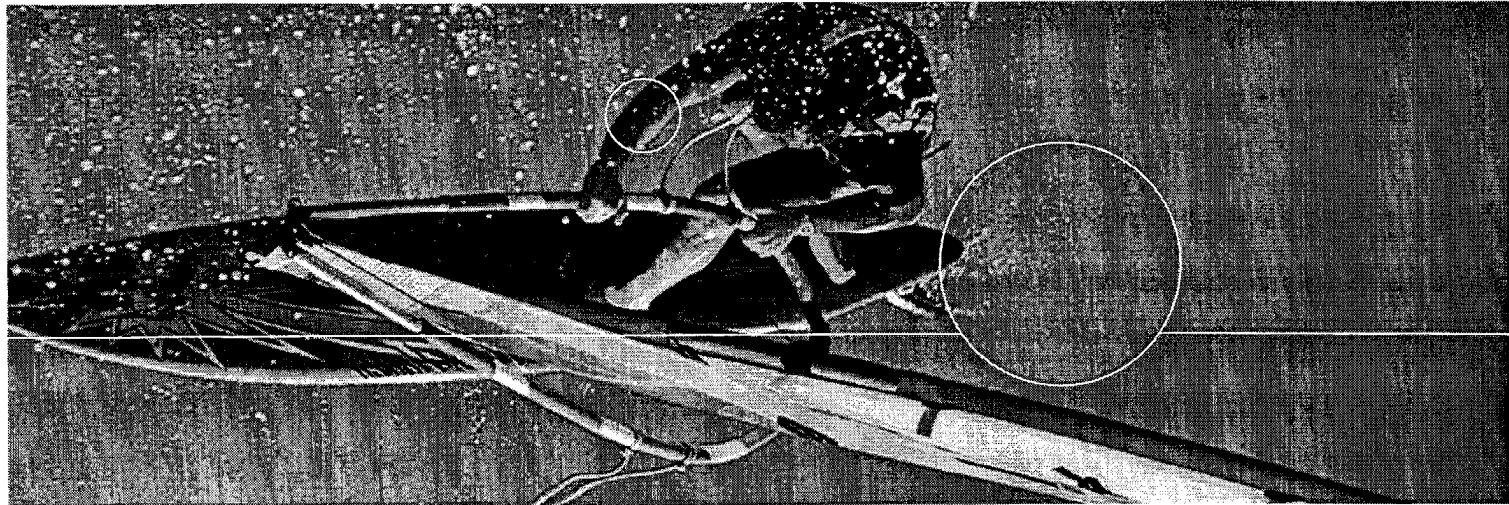
Purchasing Macquarie Instalments on the Secondary Market (ASX) – Just Like Ordinary Shares

To gain immediate access to Share price movements and potential ordinary dividends and distributions, Macquarie Instalments can be purchased on the ASX through any ASX Accredited Derivatives full service or discount adviser or stockbroker using the relevant ASX Instalment Code. For example, a BHP Billiton Macquarie IMF regular Instalment would be listed as BHPIMF on the ASX where "I" = Instalment; "M" = Macquarie and "F" = Instalment Series.

Buying Macquarie Instalments on the ASX may also entitle you to a tax deduction.

To trade Macquarie Instalments on the secondary market you will need to have completed a Warrant Client Agreement Form available from your stockbroker.

You should also refer to Sections 2.2 and 2.3 of this PDS for further details.



How Much Do Macquarie Instalments Cost?

The First Payment – Variable

The price or First Payment (for an Application made under this PDS) of a Macquarie Instalment is not fixed and will vary depending on a number of factors including:

- the price of the Underlying Share
- the volatility of that Share price
- the future expected dividends
- the time remaining to Maturity; and
- prevailing interest rates.

You should refer to Section 2.6 of this PDS for further details.

The Completion Payment – Fixed On A Yearly Basis

The Completion Payment (which is equal to the Current Loan Amount) is not compulsory. You can choose to make the Completion Payment on your Macquarie Instalments at any time up to Maturity including on any of the Annual Reset Dates.

The Maturity Date for this Series of Macquarie Instalments is 20 November 2006. The Current Loan Amount (and therefore the Completion Payment) is fixed until the next Annual Reset Date as set out in Tables 1 and 2 Summary Tables of Macquarie Instalments on pages 4 and 5. The Annual Reset Dates are:

- 18 November 2004
- 18 November 2005

The Holder's Put Option

When you invest in a Macquarie Instalment you are also purchasing a Holder's Put Option. The Holder's Put Option allows you to sell the Underlying Shares to Macquarie at Maturity for the greater of the Market Value and the Completion Payment. This allows you to walk away without having to pay the Completion Payment where it is greater than the current Share price at Maturity.

The presence of the Holder's Put Option is what prevents any need for margin calls during the term of your investment.

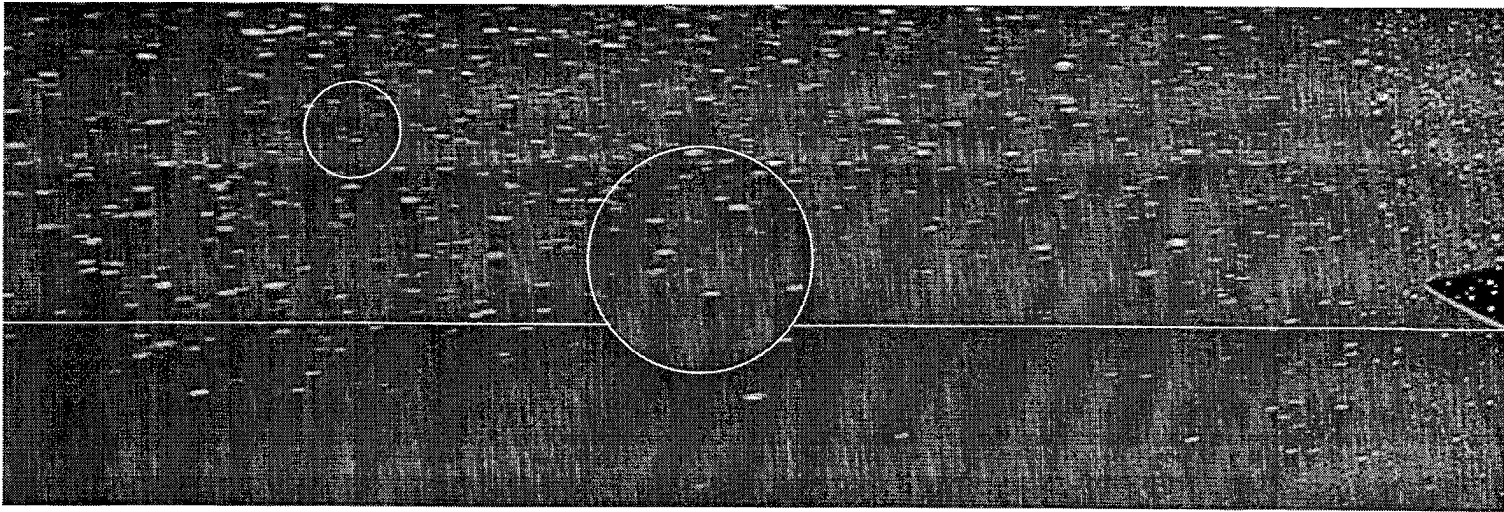
You should refer to Sections 2.13 and 2.14 of this PDS for further details.

Commission, Fees and Expenses

When you buy a Macquarie Instalment either through an Application Form attached to this PDS or through the ASX, Interest Amounts and Borrowing Fees are payable. These amounts are directed by you to be paid to Macquarie from the Loan Amount. When you purchase Macquarie Instalments on the ASX your adviser may also charge you commission.

Once a year, on the Annual Reset Date, you are required to pay an Interest Amount and Borrowing Fees for the following year. Macquarie will notify Holders approximately 4 weeks prior to the Annual Reset Date as to what these amounts are. The amounts will be determined based on the revised Loan Amount, current interest rates, share price volatility etc.

Macquarie may also pay your adviser a placement fee on Acceptance of an Application and during the term of the Instalments. Payment of this fee and the commission referred to above depends on, among other things, your arrangement with your adviser.



What Happens at Maturity?

The Maturity Date for the Macquarie Instalments is 20 November 2006. There are several options available to you. You can:

1. at any time before Maturity, make your Completion Payment and take ownership of the Underlying Shares; or
2. at any time before Maturity, sell your Macquarie Instalments on the ASX; or
3. on Maturity, exercise your Holder's Put Option and receive a payment equal to the amount by which the Market Value of the Underlying Shares exceeds the Completion Payment (if the Completion Payment is more than the Market Value of the Underlying Shares, Macquarie will have no recourse against you to recover any shortfall); or
4. on Maturity, roll your Instalment into the next available Series of Macquarie Instalments, if any.

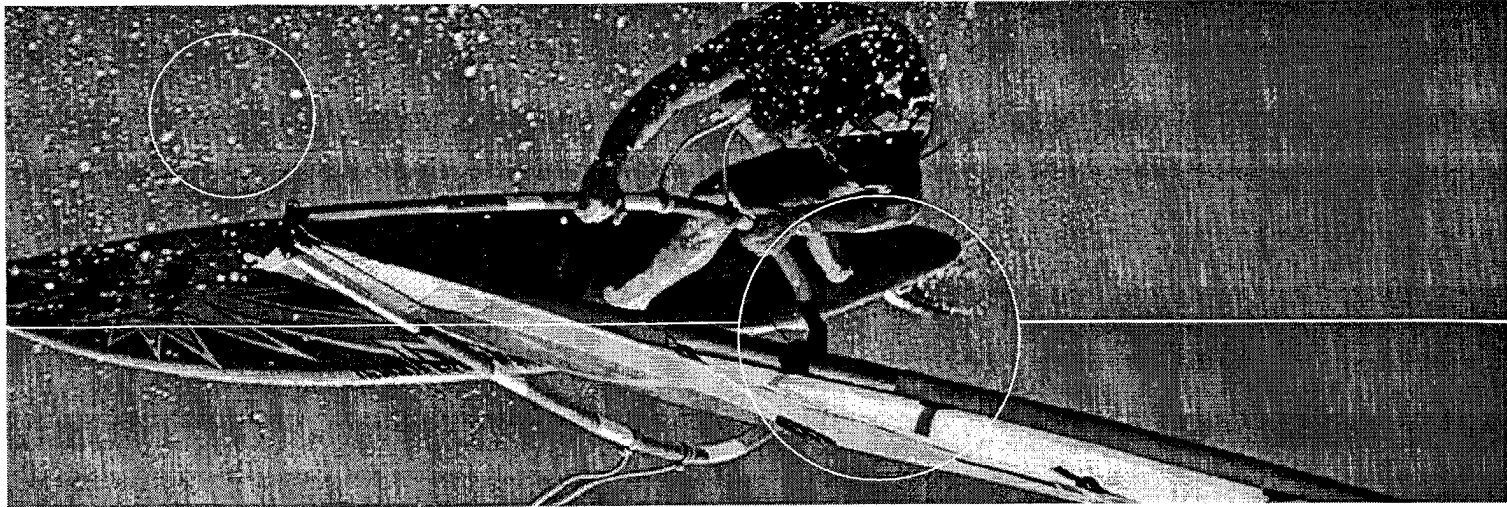
If you do nothing at Maturity (ie neither make the Completion Payment nor exercise your Holder's Put Option), the Underlying Shares will be sold and you will receive the greater of:

- (i) the net proceeds of sale of the Underlying Shares less the final Completion Payment, all fees, costs incurred in connection with such sale and any other Secured Monies; or
- (ii) the Assessed Value Payment.

If the sale proceeds are insufficient to cover the Completion Payment, Macquarie has no recourse against you to recover the shortfall.

Remember you are not obliged to make the Completion Payment. You can choose to make the Completion Payment and receive the Underlying Shares at any time prior to Maturity.

You should refer to Sections 2.5, 2.9 and 2.11 of this PDS for further details.



What Are the Tax Implications of Investing in Macquarie Instalments?

Macquarie Instalments give you the potential for tax benefits, depending on your individual circumstances.

Tax benefits may include:

- the pre-payment of up to 12 months' interest in advance;
- availability of franking credits which may be used to offset other tax; and
- the ability to convert your existing shares into Macquarie Instalments without triggering a capital gains tax liability.

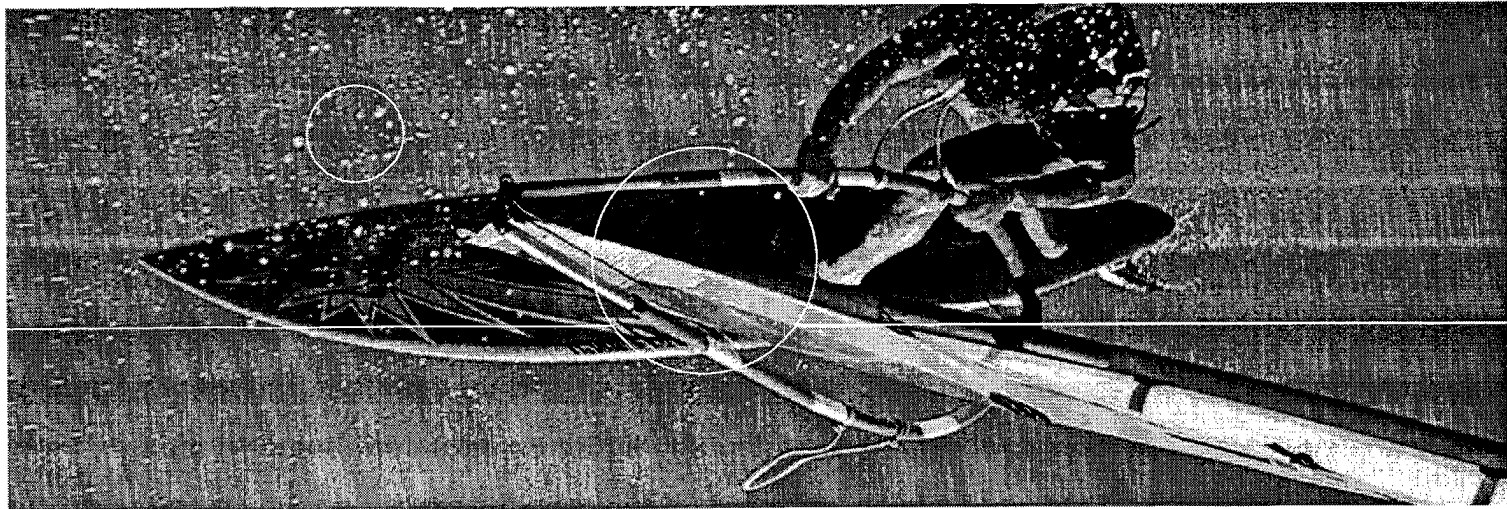
You should refer to Section 4 'Taxation Considerations' on page 35 of this PDS for more detailed information in relation to the tax implications of investing in Macquarie Instalments.

Is There a Cooling Off Period?

There is no cooling off period when you buy or sell Macquarie Instalments.

Are there any labour standards or social, environmental or ethical considerations I should be aware of?

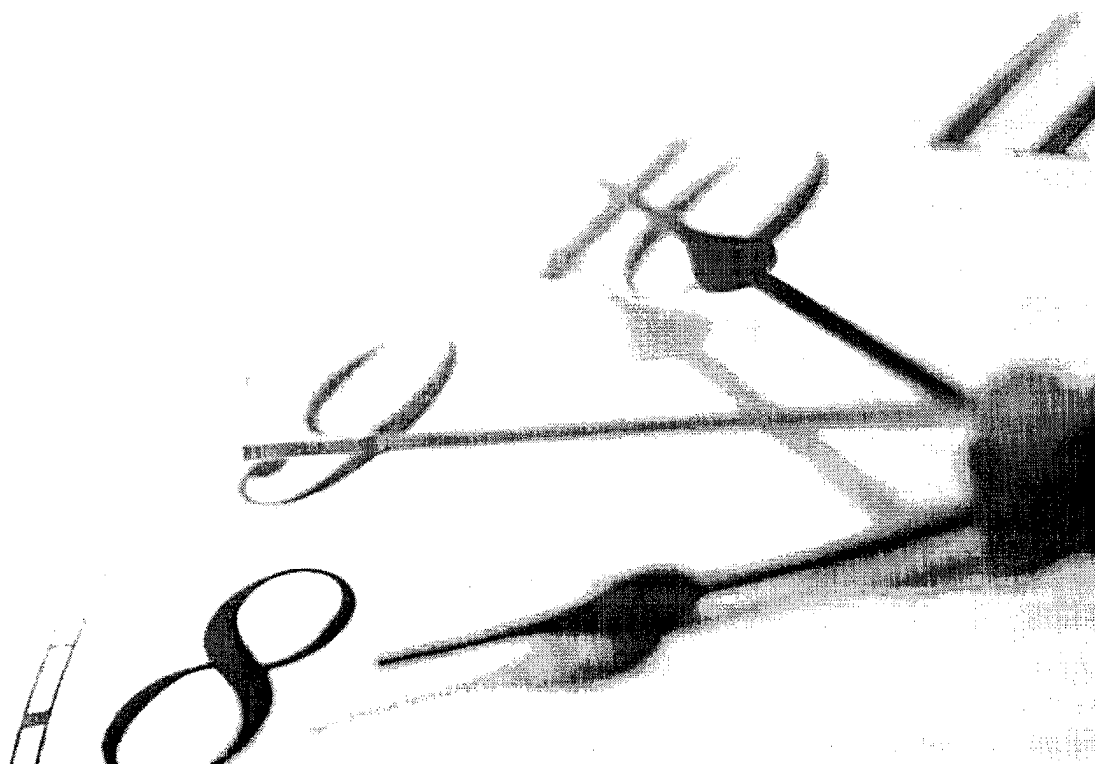
Macquarie will not take into account labour standards or social, environmental or ethical considerations for the purpose of selecting, retaining or realising the investment. An investment in Macquarie Instalments requires the selection of specific Underlying Shares. Investors should make their own enquiries as to whether labour standards or social, environmental or ethical considerations are taken into account by the issuer of the underlying Shares by referring to the website of the relevant issuer or information disclosed by the relevant issuer pursuant to its continuous disclosure obligations.



Enquiries and Complaints

Macquarie has procedures in place to properly consider and deal with any enquires or complaints from investors in Macquarie Instalments. Macquarie will acknowledge receipt of a written complaint within 5 days and provide a substantive response within 21 days. Where a complaint remains unresolved (eg where a remedy is not offered or not instigated or where a remedy offered is not accepted by the complainant), the complaint may fall within the terms of reference of the external complaints scheme, Financial Industry Complaints Scheme ("FICS").

To contact FICS, Holders should telephone 03) 9629 7050 or write to PO Box 579 Collins Street West, Melbourne VIC 8007.



Details of the Issue

This Section is a summary of the important features of Macquarie Instalments. The contractual terms are contained in the Trust Deed (a summary of which is contained in Section 5) and the Loan Agreement (Section 9). Investors should read and understand the contractual terms before investing in Macquarie Instalments. Investors should obtain professional advice which takes into account their particular investment needs, objectives and financial circumstances.

2.1 How do Macquarie Instalments work?

Macquarie Instalments issued under this PDS provide a leveraged investment in Shares using a limited recourse loan made by Macquarie. During the term of the Macquarie Instalments, Holders will be entitled to receive all of the ordinary dividends (subject to any deduction for or on account of any tax) and franking credits on the Underlying Shares, and any capital gains or losses on those Shares. Special Dividends will be treated in accordance with section 2.8.

There are three types of Application that may be made for Macquarie Instalments:

- Cash Applications – Investors make the First Payment to Macquarie
- Shareholder Applications – Current holders of Shares (other than Self Managed Super Funds) transfer their Shares to the Security Trustee to meet the First Payment; and
- Rollover Applications – Holders of Prior Series Instalments may rollover into new Macquarie Instalments and effectively defer the final payment on their investment.

The Application procedure is set out in the How to Apply Section of this PDS on page 64.

Once a year there is a review of the Loan Amount with potential to receive payments or additional Macquarie Instalments where the value of the Underlying Shares has risen and the Loan Amount has increased. Where the value of the Underlying Shares has decreased (or has remained relatively unchanged) the Loan Amount may be reduced and Holders may be required to make a payment to cover the decrease plus the Interest Amount and Borrowing Fees or risk some or all of their Macquarie Instalments terminating. A payment may also be necessary where the increase in the Loan Amount is not sufficient to satisfy the Interest Amount and Borrowing Fee for the forthcoming period.

At Maturity if the Completion Payment is not made, and the Holder's Put Option is not exercised, Macquarie must pay the Holder the greater of (i) the net proceeds of sale of the Underlying Shares less all costs and fees incurred in connection with such sale and the Completion Payment, or (ii) the Assessed Value Payment. If the sale proceeds are insufficient to repay the Loan, Macquarie has no recourse against the Holder to recover the shortfall.

2.2 Acceptance of Applications

Acceptance of an Application occurs at the earlier of:

- a) Macquarie and the Applicant (by its attorney) executing the Loan Agreement under which Macquarie agrees to lend the amount of the Loan specified for the relevant Series of Macquarie Instalments to the Applicant and Macquarie instructing the Registrar to register the issue of the Macquarie Instalments to the Applicant; or
- b) Macquarie communicating to the Applicant (or their agent) its agreement to procure the delivery to the Security Trustee of the Underlying Shares the subject of Macquarie's Acceptance, such communication being deemed to have occurred upon Macquarie advising the Applicant (or their agent) of their Application Number whether by mail or otherwise. If Macquarie gives such advice by mail it will be taken to have been given on posting of the advice.

Macquarie may reject any Application in its absolute discretion including where a TFN or ABN is not quoted on the Application Form. Macquarie may also accept Applications for less than the specified minimum subscription in its absolute discretion.

2.3 What are the consequences of making a successful application?

Each successful Applicant:

- Must complete and lodge the Application Form and pay cash and/or deliver Shares or other securities to meet the variable First Payment;
- Will receive a limited recourse Loan from Macquarie. The Loan Proceeds will be applied in the manner discussed in Section 2.4. In some cases, a portion of the Loan Proceeds will be paid in cash to the Applicant, and Applicants have the option of applying those funds to the purchase of additional Macquarie Instalments;

Details of the Issue

continued

- Must, for Shareholder Applications, transfer legal title in their Shares to the Security Trustee, to be held by the Security Trustee as nominee for the Applicant;
- Will retain the full Beneficial Interest in the Underlying Shares which will be held by the Security Trustee on behalf of the Applicant, subject to any Security Interest;
- Will, by signing the power of attorney contained in the Application Form, appoint certain directors and employees of Macquarie as the Applicant's attorney to sign the Loan Agreement (or any subsequent Loan Agreement relating to an application for a future series of Macquarie Instalments) on behalf of the Applicant (and give those persons power to appoint a sub-attorney) and the Consumer Credit Code declaration.

As soon as practicable after an Applicant has been registered as the Holder of Macquarie Instalments, the Registrar will send a Holding Statement and confirmation to the Applicant confirming:

- the number and Series of Macquarie Instalments issued to the Applicant;
- the date upon which the Loan Agreement was entered into; and
- the allocation of the Loan Amount, including:
 - the amounts and dates of Interest Amounts and Borrowing Fees paid by the Applicant in respect of the Loan; and
 - the amount of any cash payment to be made to the Applicant.

Investors can opt to sell their Macquarie Instalments on the ASX. Macquarie will support a secondary market by offering to buy and sell Macquarie Instalments on the ASX.

2.4 What is the Loan used for?

Macquarie is offering to make a Loan to successful Applicants and to Holders who acquire Macquarie Instalments on the ASX, on a limited recourse basis, which may be secured by a mortgage over the Underlying Shares (which will be held by the Security Trustee as trustee for the Holder). Subject to the Terms, the Loan Amount for each Series is fixed from the date of this PDS until the next Annual Reset Date of 18 November 2004. Thereafter the Loan Amount for each Series will be reset on each Annual Reset Date until Maturity.

The Loan will be applied by Macquarie as follows:

a) Purchase of the Underlying Shares

Where a Cash Application is accepted, Macquarie will purchase the Underlying Shares on behalf of the Applicant on the ASX and transfer the Underlying Shares to the Security Trustee.

b) Payment of Final Instalment

Where a Rollover Application is accepted, Macquarie will pay the Final Instalment on behalf of the Applicant in relation to all Prior Series Instalments to which the Application relates.

c) Payment of Borrowing Fees

Borrowing Fees are payable when an Application is accepted and includes the cost of acquiring the Holder's Put Option. Borrowing Fees will be (where possible) funded from the Loan Amount (excluding Holders who acquire Macquarie Instalments on the ASX).

d) Payment of Interest Amount

The Interest Amount charged on the Loan is calculated on the Loan Amount based on the number of days from the Effective Date to the following Annual Reset Date. Thereafter the Interest Amount is determined on each Annual Reset Date based on the revised Loan Amount and number of days in the Interest Period. The Interest Amount is payable on Application (and will be initially funded from the Loan Amount for all investors including Holders who acquire Macquarie Instalments on the ASX), and thereafter on each Annual Reset Date.

The Interest Amount will be determined at the time of Application for a Macquarie Instalment, on each Annual Reset Date, and on the drawdown of the Loan by a Holder purchasing a Macquarie Instalment on ASX. The Interest Rate may differ depending on the Underlying Share and the particular Macquarie Instalment. Potential investors can obtain the current Interest Rate at any time during the Offer Period and up until the Maturity Date by telephoning their stockbroker or financial adviser. Investors should note that the Interest Rate may vary widely. Where the Share price has fallen significantly from the figures referred to in this PDS, the Interest Rate may be substantially higher.

Various Interest Amounts will be payable up until Maturity:

- the First Interest Amount which is for the period from the date of Acceptance to (but excluding) the next Annual Reset Date is payable at the time of Acceptance of an Application (for all Applications this amount is paid out of the Loan Proceeds); and
- subsequent Annual Interest Amounts which are payable in advance are for the period from an Annual Reset Date to the following Annual Reset Date. These Interest Amounts are variable and will depend on the Loan Amount and the interest rate.

The calculations are as follows:

$I = (R\% \times L \times (D - D1)/365)$ where:

I = Interest Amount for the relevant Interest Period, prepaid at the time of Application for the period in which the Application is made

R = Interest Rate, applicable to new Macquarie Instalments

L = Loan Amount

D = Next Annual Reset Date or the Maturity Date, whichever comes first

D1 = Effective Date

e) Payment to Shareholder and Rollover Applicants

If the balance of the Loan after the allocations described above is greater than zero, the Applicant can elect to reinvest that balance in further Macquarie Instalments, otherwise that amount will be paid in cash to the Applicant. Any cash amount paid to the Applicant must be applied to investment purposes. If the balance of the Loan after allocations described above is a negative amount then the Applicant must pay that amount per Macquarie Instalment to Macquarie on lodgement of their completed Application Form.

No payment will be made to Cash Applicants.

2.5 How do I discharge the Loan?

The Loan Amount will be discharged by:

- a) a Holder at any time repaying the Current Loan Amount (together with any Transfer Tax) and having full legal ownership of the Underlying Shares transferred to them. Upon transfer of the Underlying Shares to Holders (such transfer to

occur within 20 Business Days from the date of delivery of the valid Completion Notice), the Macquarie Instalments will be cancelled. Please note there is no refund of interest if the Completion Payment is made early by the Holder for any reason other than the occurrence of an Extraordinary Event;

- b) exercising the Holder's Put Option and selling the Underlying Shares to Macquarie at the greater of the prevailing Market Value and the amount of the Completion Payment on the Maturity Date;
- c) Macquarie enforcing any Security Interest over the relevant Underlying Shares; or
- d) selling the Macquarie Instalments on the ASX prior to the Maturity Date.

2.6 Pricing of Macquarie Instalments

Before applying for Macquarie Instalments offered under this PDS, potential investors should understand the costs of such an investment. Investors should consult their stockbroker or financial adviser if they are uncertain as to the level of costs.

Cash Applicants – Setting the First Payment

This PDS does not specify the amount of the First Payment for each Macquarie Instalment offered to Cash Applicants. This is because the amount of the First Payment is determined by reference to a number of variable factors as at the time of Application, including the market price of the relevant Shares, the expected volatility of that price and the time to expiry of the Macquarie Instalments. The amount of the First Payment will vary accordingly from time to time, including within any day, during the Offer Period.

Applicants applying via their broker or approved financial planner can determine the First Payment amount and obtain an Application Number by asking their adviser to telephone Macquarie on 1800 803 010.

Alternatively, potential Cash Applicants can obtain indications as to the current amount of the First Payment and the applicable Interest Rate at any time during the Offer Period by telephoning Macquarie on 1800 803 010. Applications not made through a broker or made through a non-approved financial planner cannot proceed until the First Payment is received in clear funds by Macquarie. In these cases, the First Payment and the Application Number will be issued at that time.

Details of the Issue

continued

The minimum subscription amount for Cash Applications is \$2,000 for each Series.

Macquarie will hold Application monies in a trust account for the Applicant until all conditions relating to the issue of the Macquarie Instalments have been fulfilled and the Security Trustee (or its nominee) becomes the registered holder of the Underlying Shares. The First Payment is not refundable once the Application Number has been issued.

Shareholder Applications – No First Payment required

Shareholder Applicants are not required to pay a cash amount for the First Payment. Each Applicant must hold the minimum number of Shares in the relevant Listed Entity as set out in the Application Form and must transfer the Shares to the Security Trustee, one for each Macquarie Instalment for which the Applicant applies. All Shareholder Applicants will continue to hold a Beneficial Interest (subject to any Security Interest) in the Underlying Shares which corresponds to the Macquarie Instalments.

Applicants will be required to contact Macquarie through their stockbroker or financial adviser to obtain firm Loan allocation details, including the cashback amount payable to Shareholder Applicants, before submitting their Application. An Application Number will be advised to the Applicant which must be included on the Application Form.

Shareholder Applicants have the option of reinvesting the cashback amount in further Macquarie Instalments, subject to the normal \$2,000 minimum per instalment for Cash Applications. In this case, a Cash Application Form must be completed and submitted with the Shareholder Application Form.

Applicants are advised to attach a copy of their Holding Statement to their completed Application Forms, to avoid administrative delays.

Rollover Applications (from holders of Prior Series Instalments)

Holders of Prior Series Instalments can rollover their instalments on the Last Final Instalment Payment Date for the Prior Series Instalments. Holders must roll one Prior Series Instalment for each new Macquarie Instalment for which the Applicant applies. The Applicant must also pay a cash amount to Macquarie on lodgement of the Rollover Application Form where the Loan Amount for the new Macquarie Instalments is less than the sum of the Final Instalment to be paid on the Prior Series Instalment, plus the Interest Amount and Borrowing Fees on the new Macquarie

Instalments applied for. Please note Holders can only roll where a Series of Macquarie Instalments are offered over the same Shares as that of the Prior Series Instalments. Once the Final Instalment is paid on the Prior Series Instalments, the Underlying Shares will be held by the Security Trustee under the Trust Deed for the Series of Macquarie Instalments applied for under this PDS. Rollover Applicants will continue to hold a Beneficial Interest (subject to any Security Interest) in the Underlying Shares which corresponds to the Macquarie Instalments.

Applicants will be required to contact Macquarie through their stockbroker or financial adviser to "lock-in" the amount receivable/(or payable) on the rollover PRIOR to submitting their Application. An Application Number will be advised to the Applicant which must be included on the Application Form. Applicants are advised to attach a copy of their Prior Series Instalment Holding Statement with their Applications, to avoid administrative delays.

Examples of Calculations

Calculation of the First Payment (P1) and Completion Payment (P2) is determined by:

$$P1 = (\text{Underlying Share price at time of Application}) - \text{Loan Amount} + (\text{Interest Amount} + \text{Borrowing Fees})$$

$$P2 = \text{Loan Amount}$$

Calculation of the Cashback (CB) amount (if any) paid to Shareholder Applicants is determined by:

$$CB = \text{Loan Amount} - \text{Interest Amount} - \text{Borrowing Fees}$$

The following components are referenced in determining the relevant payments:

$$P1 = \text{First Payment for Cash Applications}$$

$$CB = \text{Cashback amount paid to Shareholder Applicants}$$

$$I = \text{Interest Amount for the Interest Period in which the Application is received}$$

$$C1 = \text{Capital Component of First Payment (SP-L)}$$

$$BF = \text{Borrowing Fee}$$

$$SP = \text{Underlying Share price at time of Application}$$

$$L = \text{Loan Amount}$$

Example Calculations for Macquarie Instalments over ANZ Shares

The figures used in this example and the following examples are provided for illustrative purposes only and should not be taken as an indication of commitment by Macquarie as to the level of figures that will actually apply to Macquarie Instalments.

It is currently 1 December 2003, the ANZ Share price is hypothetically \$18.00 per Share and the effective Interest Rate is 7.75% per annum. The Completion Payment for the ANZIMF regular Instalment is \$11.50.

$$\begin{aligned} I &= (R\% \times L \times (D - D1)/365) \\ &= (7.75\% \times \$11.50 \times (353/365)) \\ &= \$0.861 \end{aligned}$$

$$BF = \$0.279$$

Example 1: Cash Application

The First Payment in respect of a Cash Application is calculated as follows;

$$\begin{aligned} P1 &= SP - L + I + BF \\ &= \$18.00 - \$11.50 + \$0.861 + \$0.279 \\ &= \$7.64 \end{aligned}$$

The Applicant therefore pays \$7.64 on Application and has an initial Completion Payment amount of \$11.50. An Interest Amount of \$0.861 and Borrowing Fees of \$0.279 will be paid from the Loan Proceeds while the balance of the Loan (\$10.36) plus the First Payment of \$7.64 are applied to the purchase of the underlying ANZ Share.

Example 2: Shareholder Application

$$\begin{aligned} CB &= L - I - BF \\ &= \$11.50 - \$0.861 - \$0.279 \\ &= \$10.36 \end{aligned}$$

The Shareholder Applicant receives a cash payment of \$10.36 per Macquarie Instalment applied for on 1 December 2003 (unless the Applicant chooses to reinvest the amount in further Macquarie Instalments). An Interest Amount of \$0.861 and Borrowing Fees of \$0.279 has been paid to Macquarie on the Applicants behalf out of the Loan Amount.

Example 3: Purchasing Macquarie Instalments on the ASX

On 31 March 2004 an investor purchases an ANZIMF regular Instalment for \$8.50. The Interest Rate as published by Macquarie applicable to the ANZIMF regular Instalment has increased to 8.00% p.a. The seller in this case was the Applicant mentioned in example 1 above who had prepaid interest of \$0.861 (at 7.75% p.a.).

The refund of interest to the seller is for the period from 31 March 2004 to the following Annual Reset Date and is calculated as follows:

$$\begin{aligned} IR &= L \times I \times (D - D1)/365 \\ &= \$11.50 \times 7.75\% \times 232/365 \\ &= \$0.566 \end{aligned}$$

The interest prepaid by the purchaser is for the period from the purchase date to the following Annual Reset Date and would be:

$$\begin{aligned} IP &= L \times I \times (D - D1)/365 \\ &= \$11.50 \times 8.00\% \times 232/365 \\ &= \$0.584 \end{aligned}$$

and Break Costs would be payable by Macquarie to the seller due to the increase in interest rates and is calculated as follows:

$$\begin{aligned} BC &= IP - IR \\ &= \$0.584 - \$0.566 \\ &= \$0.018 \end{aligned}$$

On the purchase date, the purchaser is deemed to draw down a Loan equal to the Completion Payment of \$11.50. From the Loan Proceeds, \$0.584 is paid to Macquarie as a prepayment of the Interest Amount and the remainder of \$10.916 is applied to repayment of the seller's Loan. The refund of interest to the seller (\$0.566) plus the Break Cost (\$0.018) are applied to repayment of the balance of the seller's Loan of \$11.50.

Details of the Issue

continued

2.7 What happens on the Annual Reset Date and what is the Instalment Reinvestment Plan?

On each Annual Reset Date, Macquarie may reset the Loan Amount for the following year or may terminate a Series of Macquarie Instalments. The Loan Amount will be set to a value within the range of approximately 40-70% for IMF regular Instalments and 70-95% for the IMG hot Instalments of the underlying Share price prevailing approximately one month prior to the Annual Reset Date.

Rollover Cashback and Rollover Payment

The Loan Amount for a particular Series may be revised upwards on an Annual Reset Date if the value of the Underlying Shares, approximately one month prior to the Annual Reset Date, has increased since the previous Annual Reset Date. The additional Loan Amount will be used to fund the Interest Amount and Borrowing Fees for the next year and the balance, if any (called the Rollover Cashback), will be used to acquire further Instalments in that Series – unless you elect to receive that amount as a cash payment and sign the Consumer Credit Code declaration. Where the additional Loan Amount is insufficient to fund the Interest Amount and Borrowing Fees, the Holder will need to pay to Macquarie any shortfall to maintain their full holding of Macquarie Instalments.

The Loan Amount for a particular Series may be revised downwards or remain unchanged if the value of the Underlying Shares, approximately one month prior to the Annual Reset Date, has fallen since the previous Annual Reset Date. Any reduction in the Loan Amount will need to be paid to Macquarie, together with the Interest Amount and Borrowing Fees (even if the Loan Amount is unchanged), so you can maintain your full holding of Macquarie Instalments. If you hold more than one Series of Macquarie Instalments under the same Holder Identification Number, then the amounts payable or receivable in relation to each Series may be netted into one Rollover Payment.

The combined or net payment calculated above may be due to be paid either by the Holder to Macquarie (this is referred to as a Rollover Payment) or by Macquarie to the Holder (Rollover Cashback).

Alternatives at Annual Reset Dates

On each Annual Reset Date Holders have the following options available:

1. Continue to hold the Macquarie Instalments;

i) Rollover Cashback (Payable to Holder)

Where a Holder is entitled to a Rollover Cashback payment from Macquarie, this amount will be automatically reinvested into further Instalments in the same series in accordance with the Instalments Reinvestment Plan. Alternatively, Holders may instruct Macquarie to pay this amount directly to them in which case they will be required to submit a signed credit code declaration with the instruction.

ii) Rollover Payment (Payable by Holder)

Where the Loan Amount has been decreased, remains the same or has not been increased by enough to cover the Interest Amount and Borrowing Fees for the next period, Holders will be required to pay a Rollover Payment to Macquarie in order to maintain the same number of Macquarie Instalments. Should you not wish to make this payment to Macquarie, Macquarie will sell down some or all of your Instalments to meet this payment. In this case your holding of Macquarie Instalments will be reduced.

2. Deliver the Completion Notice and pay the Completion Payment and receive full legal ownership of the Underlying Shares within 20 Business Days;

3. Sell the Macquarie Instalments on the ASX prior to the Annual Reset Date;

4. Do nothing and Macquarie's Instalment Reinvestment Plan will apply; or

5. If the Series will terminate on the Annual Reset Date, as a further alternative to completing or selling the Macquarie Instalments on ASX, the Holder may also exercise the Holder's Put Option.

Instalment Reinvestment Plan

Following the resetting of the Loan Amounts each year, any Rollover Cashback that may become payable to Holders will, after any application of such amount by Macquarie to pay a Rollover Payment owing in respect of a different Series held by that Holder under the same HIN, automatically be reinvested in further Macquarie Instalments.

The objective of the Instalment Reinvestment Plan is to permit Holders to acquire further Macquarie Instalments of the same Series where a Rollover Cashback is payable to a Holder. If Holders do not wish to participate in the Instalment Reinvestment Plan and wish to receive the amount payable in cash, they must give notice of that election to Macquarie prior to the Annual Reset Date and sign a separate declaration for Consumer Credit Code purposes.

The current terms of the Instalment Reinvestment Plan are as follows:

- The reinvestment election will apply in respect of all Macquarie Instalments held by the Holder where a Rollover Cashback is payable;
- A Holder can only participate in respect of those Macquarie Instalments held on the record date for determining whether the Holder is required to pay interest in respect of the next Interest Period. Macquarie will not be liable to deliver Macquarie Instalments to Holders as a result of any delays in settlement of Macquarie Instalments;
- The Macquarie Instalments delivered under the Instalment Reinvestment Plan will form part of the same Series with exactly the same terms and conditions as those in respect of which the Rollover Cashback would otherwise have been made, other than their Issue Date;
- The price used to determine the number of Macquarie Instalments delivered will be the Primary Offer Price of the Macquarie Instalments at any time during the 6 Business Days after the Annual Reset Date;
- The number of Macquarie Instalments delivered will be determined by dividing the aggregate cash payment due to the Holder from a given Series of Macquarie Instalments (after application

of Macquarie's right of set off under the Annual Nomination Procedure and as allocated between such Series in Macquarie's absolute discretion) by the Primary Offer Price referred to above for that Series. Any fractional amounts of Macquarie Instalments will be rounded down to the nearest whole number; and

- All rounding adjustments for each Series held will be aggregated and applied for reinvestment in Macquarie Instalments in accordance with the terms set out above in such Series as Macquarie determines and which the Holder already holds. Any resulting rounding adjustment after this further reinvestment will be donated to a charity of Macquarie's choice.

Macquarie may amend or discontinue the Instalment Reinvestment Plan, either in respect of a particular Series or generally, at any time. In such circumstances, Macquarie will make an announcement to the ASX to this effect on or before the relevant Annual Reset Date.

2.8 Payment of Dividends

Subject to any withholding for or on account of any tax and closely held trust obligations, the Security Trustee is required to pass on ordinary cash dividends received on the Underlying Shares to Holders as soon as is reasonably practicable after receipt of the dividend in cleared funds from the Listed Entity. The Security Trustee must provide information concerning any franking credit, dividend rebate or other tax benefit to the extent permitted by the Tax Act.

Holders are not entitled to participate in dividend reinvestment plans or other plans of Listed Entities related to or in lieu of distributions in respect of Underlying Shares in which they have a Beneficial Interest. Other Accretions to Shares comprised in Underlying Shares will not be distributed but will form part of the Underlying Shares, subject to the Security Interest.

Special Dividends declared by a Listed Entity are dealt with differently from that of ordinary dividends. Unlike ordinary dividends, which are, subject to any withholding for or on the account of any tax, received by the Security Trustee and then paid to Holders, the receipt of any Special Dividend will at the discretion of Macquarie be used to reduce the Completion Payment.

Details of the Issue

continued

The Completion Payment would be reduced by the amount of the Special Dividend net of withholding tax (which would be paid to the Commissioner of Taxation on behalf of the Holder).

Each Holder warrants to the Security Trustee that a Macquarie Instalment is not held by the Holder in their capacity as a trustee of a trust estate unless notified to the Registrar in accordance with the Terms of the Trust Deed.

2.9 Maturity Date

Macquarie Instalments offered by this PDS will expire on the Maturity Date (20 November 2006). Potential investors should note, however, that the Maturity Date for a Series of Macquarie Instalments may be brought forward if there is an Extraordinary Event such as the announcement of an intention to make a takeover offer or intention to enter into a scheme of arrangement in relation to the underlying Shares or in other circumstances permitted by the Trust Deed including, without limitation, capital distributions and redemption or cancellation of the Securities (refer to Sections 3.4 and 3.6 of this PDS).

Macquarie will refund to the Holder a pro-rata portion of any Interest Amount pre-paid if the Maturity Date is brought forward due to an Extraordinary Event. The amount of interest refunded to Holders will be calculated so that the net amount paid by Holders to complete the Macquarie Instalment will be equal to the present value of the Completion Payment (ie an amount lower than the original Completion Payment), discounted from the earlier of the next Annual Reset Date or the Maturity Date at a rate of interest equal to the BBSW Rate for the relevant term, plus 1%.

Holders should also note that Macquarie may at its discretion, elect to terminate a Series of Instalments on any Annual Reset Date. If, at its discretion, Macquarie determines that a Series of Macquarie Instalments will terminate on an Annual Reset Date, then the Maturity Date for that Series will be fixed as the relevant Annual Reset Date.

There is no refund of any Interest Amount if the Completion Payment is made early by the Holder for any reason other than the occurrence of an Extraordinary Event.

2.10 Variation of Terms

The Completion Payment and the Underlying Shares will be varied in the event of returns of capital, rights and bonus issues and other reconstructions in relation to Shares in accordance with the Terms.

Other variations are possible in two circumstances:

- 1) where the change is necessary or desirable in the reasonable opinion of Macquarie:
 - to comply with any statutory or other legal requirements or any requirement of the ASX;
 - to rectify any technical defects, manifest error or ambiguity; or
 - to provide for the consequences of any corporate action by the Listed Entity.
- 2) where the terms of the change are authorised by a resolution of Holders.

Such a resolution is passed only where Macquarie:

- notifies every Holder of the proposed change;
- supplies the Holder with a document setting out the reasons for, and any advantages and disadvantages of, the changes proposed; and
- supplies the Holder with a ballot paper allowing the Holder to vote for or against the change.

A resolution varying the Terms in respect of a Series is only passed if it is approved by the Holders of 75% of the relevant Series who cast votes (being Holders that are not Macquarie or its associates).

The votes will be validated and checked by Macquarie's auditors. Each Holder will have one vote for each Macquarie Instalment held. The voting period may not be less than 20 Business Days from dispatch of the last notice of proposed change to a Holder. No ballot can be requisitioned by Holders.

Where Macquarie Instalments are held by Macquarie or its associate as trustee or nominee for a Holder, Macquarie or its associate will only cast a vote in respect of each Macquarie Instalment so held in the manner directed by the Holder.

2.11 Completion Notices

Holders of Macquarie Instalments have the right (but not the obligation) to give a Completion Notice. However, once given, a Completion Notice is irrevocable and the Holder is obliged to make the Completion Payment. A Holder who wishes to give a Completion Notice and make the Completion Payment in relation to Macquarie Instalments must lodge with Macquarie not later than 6.00 pm (Sydney time) on the Maturity Date:

- a) a duly completed Completion Notice for the particular Macquarie Instalments; and
- b) payment of the relevant Completion Payment, by cheque made payable to "Macquarie Bank Limited – Instalment Warrants".

The Completion Notice generally becomes effective immediately upon being given. However there are certain circumstances in which Macquarie may regard the Completion Notice as invalid. These circumstances include:

- if Macquarie has not received the Completion Payment in cleared funds within 5 Business Days following the day on which the Completion Notice was given;
- if the Completion Notice is signed by a person who is not the Holder and that person does not become the Holder within 5 Business Days after the giving of the Completion Notice.

Once the Completion Notice becomes effective, any Security Interest is discharged, and the Security Trustee is obliged to transfer within 20 Business Days the relevant Underlying Shares to the Holder, absolutely, and cancel the relevant Macquarie Instalment.

If the amount of money supplied with a Completion Notice is less than the total of the Completion Payment for all Macquarie Instalments covered by the Completion Notice, the Completion Notice is treated as only relating to the number of Macquarie Instalments for which the money actually received is sufficient. Where the Holder attempted to but did not give a valid Completion Notice because of an insufficiency of the monies supplied with the Completion Notice (or for any other reason) Macquarie will treat the Completion Notice as revoked to the extent of the insufficiency.

To take account of the fact that trading in Macquarie Instalments may continue until 4.15 pm on the relevant Maturity Date (the Closing Time for giving Completion Notices being 6.00 pm on that date) and that persons who have purchased Macquarie Instalments on the ASX may not be registered as at the Closing Time, the Terms allow a person who claims to be entitled to be registered as the Holder of Macquarie Instalments at the Closing Time, to give a Completion Notice, which will be recognised as valid and effective provided that the person concerned is registered as the Holder within 5 Business Days after the relevant Maturity Date (or the earlier date on which the Completion Payment is made), and provided that no other Completion Notice is given in respect of the same Macquarie Instalment, by a person who, to the knowledge or in the reasonable opinion of Macquarie, became entitled to be registered prior to the Closing Time but later in time than the person who gave the notice.

If the Holder gives a valid Completion Notice and makes the Completion Payment the Holder has done everything necessary under its agreement with Macquarie to obtain the full unencumbered legal interest in the Underlying Shares, and any Security Interest is discharged and the legal title to the Shares will be transferred by the Security Trustee to the Holder accordingly (such transfer to occur within 20 Business Days from the date a valid Completion Notice is given).

Investors should be aware that if a Holder delivers a valid Completion Notice to Macquarie during the Deferred Settlement Period relating to the Underlying Shares, that Completion Notice shall be deemed to be given at (but not earlier than) the cessation of the relevant Deferred Settlement Period. Therefore, if a valid Completion Notice is given and Macquarie receives the Completion Payment in cleared funds during the Deferred Settlement Period, Macquarie is not required to procure the transfer of the relevant Share until after the cessation of the Deferred Settlement Period.

Details of the Issue

continued

2.12 Contractual Rights to Payment if the Security Trustee Defaults

If after an effective Completion Payment has been given in respect of Macquarie Instalments the Security Trustee fails to procure delivery of the Underlying Shares to the Holder within 20 Business Days, Macquarie is obliged to pay to the Holder the Liquidated Damages Amount, which is equal to 1.1 times the Market Value of the Underlying Shares. The Market Value is determined by the Weighted Average Sale Price of Shares on the ASX on the 5 Trading Days following the date the Completion Notice was given. If this provision applies, the Security Trustee will transfer the Shares to Macquarie and Macquarie is under no further obligation to procure delivery of the relevant Shares.

Under the Terms, the amount for each Macquarie Instalment to be paid by Macquarie under these conditions (the Liquidated Damages Amount) is equal to 1.1 times the Market Value of the Underlying Shares, which is the Weighted Average Sale Price of Shares on the stock market conducted by ASX on the 5 Trading Days following the date the Completion Notice was given.

Upon payment of the Liquidated Damages Amount, the relevant Macquarie Instalments shall cease to exist, the Beneficial Interest of the Holder in respect of the Underlying Shares will be extinguished and Macquarie and the Security Trustee shall have no further obligations to the Holder.

2.13 Holder's Put Option

Holders of Macquarie Instalments have the right (but not the obligation) to sell (or put) the Underlying Shares to Macquarie for the HPO Exercise Price, on the Maturity Date, by giving an HPO Exercise Notice by 12.00 pm (Sydney time) on the relevant Maturity Date.

An HPO Exercise Notice, once given, is irrevocable.

The HPO Exercise Price is an amount equal to the greater of the Market Value (equal to the Weighted Average Sale Price of Shares on the ASX during the last two hours of trading on the Maturity Date) and the Completion Payment on the Maturity Date. A Holder who exercises the Holder's Put Option directs the Security Trustee to transfer the Underlying Shares to Macquarie and Macquarie acquires the entire right, title and interest of the Holder in each relevant Underlying Shares for the

HPO Exercise Price. When the Holder's Put Option is exercised, Macquarie will pay to the Holder the HPO Exercise Price less the Completion Payment. The balance remaining (if any) is paid to the Holder and the Macquarie Instalment is cancelled.

If, for any reason, Macquarie is legally prohibited from acquiring Shares on exercise of the Holder's Put Option, Macquarie will advise the Holder who is deemed to appoint the Broker to sell the Shares on behalf of the Holder and remit the proceeds to Macquarie. Macquarie remains obliged to pay the HPO Exercise Price (less the Completion Payment) to the Holder.

The terms and conditions of the Holder's Put Option are set out in the Terms (Section 5.22 of this PDS).

2.14 Failure to Pay the Completion Payment or Exercise the Holder's Put Option

If the Holder of a Macquarie Instalment does not give a valid Completion Notice by 6.00 pm (Sydney time) on the Maturity Date, or gives a valid Completion Notice and the Completion Payment is not made or not cleared within 5 Business Days after the Maturity Date (or the earlier date on which the Completion Notice is given), and the Holder does not exercise the Holder's Put Option, Macquarie has the right to sell the Underlying Shares by exercising its power of sale pursuant to any Security Interest. Any Security Interest will be discharged and the Macquarie Instalment is cancelled upon the sale of the Underlying Shares.

In these circumstances, the Holder is entitled to receive the greater of:

- a) the proceeds of sale of the Underlying Shares received by Macquarie less the Completion Payment, the costs of sale, any costs payable to Macquarie or the Security Trustee and any other Secured Monies; or
- b) where the intrinsic value of an Underlying Shares equals or exceeds 5% of the Completion Payment on Maturity, 90% of the amount calculated as the Market Value less the Completion Payment.

2.15 Share Benefit Plans and Buy-back Offers

Potential Investors should note that an investment in Macquarie Instalments will not confer any benefits of, or entitle Holders to participate in, any plans conducted by a Listed Entity for the reinvestment of dividends (Dividend Reinvestment Plans) or any other plans of the Listed Entity for the investment or receipt of benefits in lieu of dividends including among other things, discount cards.

Potential investors should also note that the Security Trustee generally is obliged to reject any buy-back offers made by the Listed Entity.

2.16 No Voting Rights

The Holders of Macquarie Instalments, in their capacity as Holders, are not entitled to receive any annual reports or notices of meetings of the relevant Listed Entity or attend or speak or vote at any meeting of members (or class of members) of the Listed Entities.

The Security Trustee shall not cast any vote in respect of any Underlying Shares at any meetings of members (or class of members) of the Listed Entity either in its own right or on behalf of Holders.

2.17 Nominee Arrangements

Applicants will appoint the Security Trustee and the nominee of the Security Trustee as bare trustee to hold the Underlying Shares, subject to any Security Interest.

The Security Trustee will act in accordance with the provisions of the Nominee Deed and the Trust Deed.

2.18 Legal Documents

Macquarie has entered into the Trust Deed, which constitutes the Terms as that expression is used in this PDS. A summary of the Terms is set out in Section 5 and a sample form of the Loan Agreement is set out in Section 8.

2.19 Transfers

Transfers of Macquarie Instalments will be effected on-market on SEATS through the parties' stockbrokers in accordance with the ASX Business Rules and the Terms, subject to at least a minimum Marketable Parcel being transferred.

Each transfer of Macquarie Instalments will also transfer the Beneficial Interest of the Holder in the Underlying Shares to the Transferee, subject to any Security Interest. The Transferee will upon transfer draw down a Loan from Macquarie with the funds being used to:

- prepay interest on the Loan from the Effective Date to the next following Annual Reset Date; and
- discharge part of the Transferor's loan.

Depending on the difference between the Interest Rates applying on the Transferor's and Transferee's Loans a Break Cost will be payable either by Macquarie to the Transferor or to Macquarie by the Transferor.

If the Break Cost is payable to the Transferor it may be applied against part of the Transferor's Loan. If the Break Cost is payable by the Transferor it will be added to the Transferor's Loan.

2.20 Register

Macquarie will arrange (at its cost) for a register of Holders of each Series of Macquarie Instalments to be established and maintained at the offices of Computershare Investor Services Pty Ltd (see Directory on the back cover) in Sydney. The Register will be open during business hours for inspection by any Holder or authorised representative or any member of the Listed Entities.

As the Macquarie Instalments will be CHESS Approved Securities a CHESS sub-register and an Issuer Sponsored Sub-register of Holdings will be established in respect of each Series of Macquarie Instalments.

Details of the Issue

continued

2.21 Securities Lending

The Security Trustee may lend Underlying Shares to Macquarie group companies where the borrower is the Holder of the corresponding Macquarie Instalments. The Holder may not give a Completion Notice during the period of the Loan.

2.22 The Trusts

The Security Trustee will hold each Underlying Share under a Separate Trust for the Holders of Macquarie Instalments.

Macquarie has not guaranteed the performance by the Security Trustee of its obligations under the Nominee Deed or the Trust Deed. The Security Trustee has not been involved in the preparation of, has not authorised or caused the issue of, and takes no responsibility for, this PDS. In particular, the Security Trustee makes no representation as to the accuracy or completeness of the contents of this PDS.

The Trust Deed sets out the obligations of the Security Trustee and includes a range of provisions limiting the responsibilities and liabilities of the Security Trustee. The role of the Security Trustee and these limiting provisions are summarised in Section 5, particularly Sections 5.33 to 5.35.

Holders may inspect the Trust Deed at the offices of Macquarie and may make a written request to Macquarie for a copy of the Trust Deed without charge.

Other persons may also inspect and obtain copies of the Trust Deed from Macquarie for a fee of \$10 per copy.

2.23 Form of Holding

The Macquarie Instalments will be held in uncertificated form and no certificates will be issued. The Macquarie Instalments will be noted in the Register of Macquarie Instalments for each Series maintained by Computershare Investor Services Pty Ltd.

2.24 Stamp Duty

No stamp duty is payable in connection with any Security Interest or the Loan.

2.25 Superannuation Investments

Superannuation entities, such as self managed superannuation funds and trustees of approved deposit funds and pooled superannuation trusts, are subject to restrictions on entering into borrowing arrangements and on the types of investments that can be made.

On 16 December 2002 the Australian Prudential Regulation Authority ("APRA") and the Australian Tax Office ("ATO") (together "the Regulators") issued joint guidelines to superannuation entities investing in instalment warrants. The guidelines reaffirmed the ability of superannuation funds to invest in instalment warrants however stressed that a trustee must consider them in context of the fund's overall investment strategy, must ensure they are familiar with the risks involved, have adequate risk management procedures in place prior to making such investment and that they have disclosed to members details of the investment strategy.

Macquarie Instalments should be considered as a derivative instrument, and trustees will need to ensure that they have sufficient liquidity to pay the Completion Payment (or a considered approach in place to determine not to), and also to treat an investment in Macquarie Instalments as a full exposure to the relevant Shares for investment strategy reporting.

Furthermore, the Regulators stated in the announcement that they have formed the view that an investment in instalment warrants by superannuation entities via a Shareholder Application is generally not appropriate as it is likely to contravene SIS Regulation 13.14 which prohibits trustees from giving a charge over assets of a fund. Consequently where Shareholder Applications are included in an PDS, Macquarie will not accept such applications from superannuation entity applicants. This should not however, prohibit superannuation entities from acquiring Macquarie Instalments via a Cash Application or on the secondary market (ie purchase on ASX).

Notwithstanding the contents of the guidelines or the SIS legislation, trustees or superannuation entities should obtain their own advice as to whether instalment warrants are an appropriate investment.

2.26 Activities of Macquarie relating to Macquarie Instalments

The Macquarie Instalments will constitute direct unconditional obligations of Macquarie.

Macquarie reserves the right to buy back Macquarie Instalments that have been issued. Macquarie Instalments bought back will not be cancelled automatically, but may be cancelled or resold by Macquarie. Macquarie Instalments may be issued after commencement of trading on the ASX if the issue is not fully subscribed.

Members of the Macquarie Group may apply for Macquarie Instalments to facilitate market making activities that may be undertaken in relation to the Instalments. Macquarie will provide, as and when practicable, buy and sell quotations for Macquarie Instalments on the ASX.

Macquarie reserves the right to issue further Macquarie Instalments in each Series without the consent of Holders, subject to Macquarie making a further application to the ASX, on the basis that new Macquarie Instalments will form part of the same Series, will be issued on terms identical to those applying to existing Macquarie Instalments of that Series, and will trade on the same basis under the same ASX code as existing Macquarie Instalments of that Series.

2.27 The Clearing House Electronic Sub-register System (CHES)

The Macquarie Instalments will be CHES Approved Securities in accordance with the ASX's Business Rules and the Securities Clearing House (SCH) Business Rules. In the CHES environment, in addition to an electronic CHES Sub-register, an electronic Issuer Sponsored Sub-register will be maintained. These two sub-registers together will provide Macquarie's principal Register of Holders. Under CHES, on issue of the Macquarie Instalments, instead of certificates, Macquarie Instalment Holders will be provided with a Holding Statement which sets out the number of Macquarie Instalments issued (or, subsequently, transferred) to each Holder. The Holding Statement will also advise the Holder of the Holder Identification Number (HIN) in the case of a CHES holding or the Shareholder Reference Number (SRN) in the case of an Issuer Sponsored holding. A Holding Statement will routinely be provided to Holders after the end of any month during which there has been a change in the balance of the holding.

To hold Macquarie Instalments on the CHES Sub-register, an Applicant will need to be either a participant in CHES or be sponsored by a participant in CHES. Macquarie Instalments held by other Applicants will be entered on to the Issuer Sponsored Sub-register.

Owing to the electronic nature of the CHES environment, ownership of Macquarie Instalments can be transferred without paper documentation. The Australian Securities & Investments Commission has issued a class order declaration, CO 02/312, under section 1075A(1) of the Corporations Act the effect of which will be to deem each Series of the Macquarie Instalments to be financial products able to be transferred through CHES under Division 4 of Part 7.11. The class order also has the effect that the National Guarantee Fund provisions in Division 4 of Part 7.5 apply to transfers of Macquarie Instalments.

2.28 Distribution of PDS

As the Macquarie Instalments are to have trading status on the ASX stock market, they may be transferred to secondary holders. This PDS may be passed on to such secondary holders in that capacity or to potential transferees who approach existing Holders, the Broker or Macquarie. Macquarie will provide a copy of this PDS on request.

2.29 Substantial Shareholders, Takeovers and Associations

The acquisition of Macquarie Instalments may have implications for Holders (particularly substantial shareholders) under Chapters 6, 6A, 6B, 6C and 6D of the Corporations Act. The precise implications depend upon the Holder's particular circumstances.

The following explanation of the law as at the date of the PDS is provided to assist Holders in identifying the practical obligations that may arise from holding a Macquarie Instalment. The obligations of Holders will, however, be affected by circumstances peculiar to individual Holders and Holders should obtain their own advice on the obligations they may have under the Corporations Act.

Details of the Issue

continued

Each Holder will, as soon as a Macquarie Instalment is acquired, have a relevant interest in the number of Shares in which the Holder has a Beneficial Interest. Disclosure obligations (including obligations on substantial shareholders) and limitations on acquisitions, under Chapters 6, 6A, 6B, 6C and 6D of the Corporations Act, may (depending on the Holder's voting power in the relevant entity under the Corporations Act) affect Holders in respect of acquisitions, continuing holdings, and disposals of Macquarie Instalments.

ASIC Class Order CO 02/926 will apply to modify the Corporations Act so that Macquarie's associations and relevant interests under section 609 for the purposes of Chapters 6 and 6C arising solely from the issue of Macquarie Instalments under this PDS are disregarded unless and until the Completion Payment is made. Holders are not granted relief under the Class Order except for the purposes of disregarding an association formed solely by entry into the Macquarie Instalments.

ASIC Class Order CO 02/927 will also apply to the Macquarie Instalments issued under this PDS so as to disregard any relevant interest the Security Trustee holds as cover under the Trust Deed.

2.30 Foreign Holders

The acquisition of Macquarie Instalments may also have implications for Holders under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA). The following paragraphs are a very general summary of the requirements of FATA as they may affect an acquisition of Macquarie Instalments. The summary does not purport to be exhaustive nor to give legal advice and should not be relied on by the potential investors, who should seek their own legal advice in relation to all aspects of the proposed investment including but not limited to those referred to below.

FATA empowers the Treasurer of Australia to prohibit a proposed acquisition of shares in an Australian corporation or interests in assets of an Australian business where the result of the acquisition will be that a foreign person, together with its associates, would have an interest of not less than 15% of the issued shares in the corporation or interests in assets of an Australian business, or two or more foreign persons (together with their associates) would in aggregate have an interest of not less than 40% of the interests in the issued shares in the corporation or assets of the Australian business. Where such an acquisition has already occurred, the Treasurer has the power to order a person who acquired the shares or interests in the assets to dispose of them. The concepts of acquisition, interest, associate and foreign person are very widely defined in FATA.

In addition, FATA requires certain persons who propose to make such acquisitions first to notify the Treasurer of their intention to do so. The acquisition of Macquarie Instalments on-market will constitute an acquisition by the Holder of Underlying Shares for the purposes of FATA.

Foreign ownership of Shares in Australian companies may also be restricted under other Commonwealth legislation, or under Commonwealth Government policy for example, in relation to Australian Banks and Telstra Corporation Limited.

Risks You Should Consider

An investment in Macquarie Instalments is speculative with returns received depending on a number of variable factors. All investments involve varying degrees of risk. In evaluating the merits and suitability of an investment in Macquarie Instalments, careful consideration should be given to the risks inherent in Macquarie Instalments.

This Section does not purport to be a comprehensive summary of all the risks associated with an investment in Macquarie Instalments but highlights particular risks that Macquarie wishes to encourage prospective investors to consider in detail and discuss with their professional advisers.

3.1 National Guarantee Fund – not a Guarantor in all cases

Claims against the National Guarantee Fund may only be made in respect of secondary trading in Macquarie Instalments between brokers on the ASX and cannot be made in relation to the primary issue of Macquarie Instalments by Macquarie or the settlement obligations of Macquarie arising from the giving of Completion Notices or the expiry of Macquarie Instalments.

The capacity of Macquarie and the Security Trustee to settle all outstanding Macquarie Instalments is not guaranteed by the ASX, the National Guarantee Fund or the Options Clearing House.

3.2 Obligations of Macquarie

The value of the Macquarie Instalments depends upon, amongst other things, the ability of Macquarie to fulfil its obligations under the Terms.

The obligations of Macquarie under the Macquarie Instalments are not deposit liabilities of Macquarie, and they are not guaranteed by any other party. They are unsecured contractual obligations of Macquarie which will rank equally with Macquarie's other unsecured contractual obligations and with its unsecured debt other than liabilities mandatorily preferred by law. In this regard section 13A(3) of the Banking Act 1959 provides that in the event of Macquarie becoming unable to meet its obligations the assets of Macquarie in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of Macquarie (which include the obligations of Macquarie under the Macquarie Instalments).

Investors must make their own assessment of the ability of Macquarie to meet its obligations. A description of Macquarie is set out in Section 7 to assist potential Applicants in making this assessment.

3.3 Registration Procedures and Completion Notices

Investors should note that a Completion Notice is only effective under the Terms if given by the Holder, or a person who in respect of the Maturity Date becomes the Holder within 5 Business Days after the Maturity Date (or the earlier date on which the Completion Notice was given). In the latter case the Terms require that the person who has given the Completion Notice be registered as the Holder within 5 Business Days after the Maturity Date. Investors who acquire Macquarie Instalments and wish to give a Completion Notice should ensure that their stockbroker makes appropriate arrangements to ensure the Investor becomes the Holder of the Macquarie Instalment within the required time and that the Completion Notice is delivered to Macquarie by 6.00 pm (Sydney time) on the relevant Maturity Date. Investors should note that under the Terms there is a risk that a Completion Notice will be ineffective if another Completion Notice is given in respect of the same Macquarie Instalment by a person who became entitled to be registered as Holder of that Macquarie Instalment later than the person who gave the first Completion Notice.

3.4 Takeover Offers

If an announcement of an intention to make a takeover offer for Shares is made, the Maturity Date may at Macquarie's discretion (with the consent of the ASX) be brought forward by Macquarie which may enable Holders to participate in the offer. While in many cases this will mean that provisions of the Corporations Act will entitle the exercising Holder to accept a takeover offer made for the relevant Shares, the terms of the particular offer and the provisions of the Corporations Act may mean that Shares acquired by the Holder are not able to participate in the takeover offer.

Macquarie gives no guarantee or assurance that Shares acquired by a Holder as a result of giving a Completion Notice will be able to participate in any takeover offer for Shares. Neither Macquarie nor the Security Trustee undertakes to deliver anything other than Shares in accordance with the Terms and, in particular, will not accept any takeover offer on behalf of any exercising Holder. Compulsory acquisition could follow the conclusion of a successful takeover offer and, in that case, the proceeds of sale after deduction for the payment of any fees, the Completion Payment and any other Secured Monies (if any) may be payable to the Holder, and the Macquarie Instalments will lapse.

Risks You Should Consider

continued

Investors should note that if a takeover offer is made for Shares at a price which is less than the Completion Payment, the Macquarie Instalments may become worthless.

3.5 Buy-backs

Investors should note that if a buy-back offer is made in relation to any of the Underlying Shares, the Security Trustee is obliged to reject the buy-back offer and shall not be bound to give any notification of a buy-back offer to a Holder, unless Macquarie, in its absolute discretion, advises Holders of the offer and offers them the right to participate in it and such Holders have directed Macquarie to accept the offer.

3.6 Early Maturity Date and Lapse of Macquarie Instalments

The Maturity Date for any Series may be brought forward on the occurrence of an Extraordinary Event or a corporate event such as a reconstruction of capital, capital distribution, redemption or cancellation of the share, buy-back, takeover offer, scheme of arrangement or a delisting or suspension of the shares. An event may be nominated by Macquarie with the consent of ASX as an Extraordinary Event if it is, or may result in the delisting, withdrawal of trading status or suspension of the relevant Shares or Macquarie Instalments or if a Trust Tax Change occurs or is expected to occur. Macquarie Instalments will automatically lapse if the relevant Shares become the subject of compulsory acquisition under Chapter 6A of the Corporations Act or another legal procedure (such as certain schemes of arrangement) and the Security Trustee may be obliged to account to the Holder for benefits received as a result (refer to Section 5.24 for further information).

Any Macquarie Instalment for which a Completion Notice is not given by the Holder (or by a person who becomes registered as the Holder within 5 Business Days after the relevant Maturity Date) by 6.00 p.m. (Sydney time) on the relevant Maturity Date will lapse automatically. In any of these cases the Holder may be entitled in certain circumstances to a payment (see Section 2.14).

Further, failure by a Holder to make a Rollover Payment on a Annual Reset Date may result in the lapsing of all or a portion of the Holder's Macquarie Instalments.

3.7 Trust Tax Change

In the event of a Trust Tax Change only, Macquarie with the consent of ASX, may take such actions as may be appropriate in the circumstances and shall give written notice of its decisions to take such actions within 10 Business Days of so deciding. The Security Trustee and each Holder agree to provide any necessary co-operation to effect such result.

3.8 Exercise of Discretion by Macquarie

Investors should note that a number of provisions of the Terms confer discretions on Macquarie which could affect the value of the Macquarie Instalments. These include the powers to bring the Maturity Date forward, to nominate Extraordinary Events (refer Section 5.19), to determine whether rights offered have value and to vary or make any adjustments to the terms of the Macquarie Instalments contemplated in the Terms.

Holders do not have the power to direct Macquarie concerning the exercise of any discretion. However, in relation to many of these discretions, Macquarie may only exercise those discretions with the consent of ASX.

3.9 Factors Affecting the Value of Macquarie Instalments

The value at which a Macquarie Instalment may be bought or sold on ASX is expected to be dependent upon such factors as the Completion Payment, the price of the relevant Shares, the amount of dividends paid and the franking attached to the relevant Shares, the volatility of the relevant Shares, the time remaining to the next Annual Interest Date or the Maturity Date, Interest Rates and other factors and general risks applicable to stock markets on which the relevant Shares are traded. Macquarie Instalments may become significantly less valuable during their currency and in certain circumstances automatically lapse or expire worthless.

INVESTORS WHO CONSIDER ACQUIRING MACQUARIE INSTALMENTS WHETHER FROM MACQUARIE OR ON THE SECONDARY MARKET SHOULD HAVE EXPERIENCE IN OPTIONS TRANSACTIONS AND SHOULD REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING, WITH THEIR ADVISER, THE SUITABILITY OF THE MACQUARIE INSTALMENTS IN THE INVESTOR'S PARTICULAR CIRCUMSTANCES.

3.10 Investment Decisions

It is impossible in a document of this type, to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Macquarie, the Broker, the Security Trustee, or any associate of them or any other person concerning investment in the Macquarie Instalments, Shares or any other security. Readers should not rely on this PDS as the sole basis for any investment decision in relation to Macquarie Instalments, Shares or any other security, but should obtain relevant information concerning the Listed Entities and where necessary, independent financial advice.

3.11 De-listing or Suspension of Shares

Except where it constitutes an Extraordinary Event, de-listing, withdrawal of trading status or suspension of Shares will not affect the validity of Macquarie Instalments, or in any way detract from the obligations of Macquarie under Macquarie Instalments, unless the Macquarie Instalments themselves consequently have their trading status withdrawn or are suspended.

3.12 Possible Illiquidity of Trading Market

Investors should be aware that there is no firm indication as to how the Macquarie Instalments will trade in the secondary market, nor for any Series as to whether that market will be liquid or illiquid. However, Macquarie will provide, as and when practicable, buy and sell quotations for Macquarie Instalments on the ASX.

3.13 Suspension of Trading in Macquarie Instalments

Trading on the ASX stock market of Macquarie Instalments may be halted or suspended by the ASX. This may occur whenever the ASX deems such action appropriate in the interests of maintaining a fair and orderly market in a Series of Macquarie Instalments or in the relevant Shares or otherwise deems such action advisable in the public interest or to protect investors. Matters that may also be considered include circumstances where the ASX has been advised that a Listed Entity is about to make an important announcement affecting its Shares, or any unusual conditions or circumstances are present or Macquarie becomes unable or unwilling or fails to comply with ASX Business Rules or if the ASX in its absolute discretion thinks fit.

3.14 Potential Conflicts of Interest

Companies in the Macquarie Group may buy and sell Macquarie Instalments, Shares of the Listed Entity and other financial products relating to the Listed Entity's Shares, either as principal or agent. In addition, companies in the Macquarie Group may from time to time advise any of the Listed Entities in relation to activities unconnected with the issue of Macquarie Instalments, including (but not limited to) general corporate advice, financing, funds management and property and other services.

The Security Trustee is a wholly owned subsidiary of Macquarie.

3.15 The Trust Deed and the Security Trustee

The Trust Deed may be amended by Macquarie and the Security Trustee in certain limited circumstances or with the consent of 75% of the Holders of the relevant Series who cast votes.

The Security Trustee may deal with Underlying Shares by various means permitted under the Trust Deed, including the transfer of Shares to Macquarie or bodies corporate related to Macquarie. These transactions may affect the value of the Underlying Shares.

The Security Trustee may also be entitled to exercise a right of indemnity against Macquarie in respect of liabilities incurred in the execution or attempted execution of its powers or the performance or attempted performance of its duties and functions under the Terms. Section 5 of this PDS includes a summary of the role of the Security Trustee including the right of indemnity and various provisions limiting the responsibilities and liabilities of the Security Trustee (in particular Sections 5.33, 5.34 and 5.35).

Holders are not entitled to requisition any meeting of Holders for the consideration of any resolution.

Risks You Should Consider

continued

3.16 Annual Reset Date

Investors should be aware that at each Annual Reset Date, unless Macquarie elects to terminate the relevant Series of Macquarie Instalments, they will be liable to pay the Interest Amount and Borrowing Fees in advance for the forthcoming year. These amounts may (where possible) be funded by a further drawing of the Loan Amount which will be reset on each Annual Reset Date.

The Loan Amount may be reset higher if the value of the Underlying Shares approximately one month prior to the Annual Reset Date has increased from the previous Annual Reset Date. The additional loan amount will be used to fund the interest and Borrowing Fees with the balance (Rollover Cashback), if any, used to acquire further Macquarie Instalments. Should the value of the Underlying Shares fall the Loan Amount may be reduced. The reduction in the Loan Amount together with the Interest Amount and Borrowing Fees for the forthcoming year is required to be paid for a Holder to retain all their Macquarie Instalments (the "Rollover Payment").

Where the Loan Amount remains unchanged or has increased but not by enough to pay the Interest Amount and Borrowing Fees, the investor will be requested to make a payment to fund the Interest Amount and Borrowing Fees in order to retain all their Macquarie Instalments. Failure to make this payment on or prior to the Annual Reset Date may result in all or some of the Holder's Macquarie Instalments being terminated to meet this payment.

Any increase or decrease in the Loan Amount will equate to an increase or reduction in the Completion Payment amount.

3.17 Additional Risks of Hot IMG Instalments

An investment in Macquarie IMG hot Instalments gives rise to additional risks to that of the IMF regular Instalments. The additional risks arise because the IMG hot Instalments are more highly geared, with the Loan Amount between 70 – 95% of the Underlying Share price. As the Loan Amount is higher the Interest Amount and Borrowing Fees are also greater than for the IMF regular Instalments.

Where the gearing level is high and the Underlying Share price performs positively the return will also be positive. However if the Share price performs negatively, or even stays the same, the value of the highly geared Instalment will decrease at a greater rate than a lower leveraged Instalment.

Potential investors are encouraged to seek financial advice about the benefits and risks of leveraged investments.

Taxation Considerations

Macquarie does not provide taxation advice.

This Section, prepared by Allens Arthur Robinson, describes the general taxation consequences which would be expected to arise in the circumstances for Australian resident taxpayers who are natural persons, whose activities cannot be described as the conduct of a business of trading or dealing in shares or other marketable securities. As the taxation profile of each potential investor is different, each potential investor should seek their own independent taxation advice.

Also, this Section does not cover all possible dealings in the Underlying Shares, as it is not possible to contemplate with sufficient specificity all of the dealings which may be made in respect of such securities.

Capitalised terms used in this Section bear the meaning ascribed in the PDS or in the Trust Deed. It is assumed that the Shareholder and Rollover Applicants will use the amount of the Loan paid to them for assessable income producing purposes.

4.1 INTEREST AMOUNTS

4.1.1 General Matters

Where an amount is interest, it should be allowed as a deduction if it is incurred in respect of financial accommodation which is used to gain or produce assessable income. Where the Macquarie Instalment is acquired for the purpose of producing dividend or trust distribution income, interest on so much of the Loan as has been used to purchase underlying Shares should be allowed as a deduction.

The purpose for which the Macquarie Instalment is acquired will be a matter for each potential investor. Where an investor does not acquire the Macquarie Instalments with a purpose of gaining or producing dividend or trust distribution income, but rather acquires them for the purpose of producing only capital gains, the amount of interest should not be allowed as a deduction.

Also, where the circumstances in which a particular investor acquires and disposes of a Macquarie Instalment (such as the amount of interest compared with the expected dividend or trust distribution income and the period for which the Macquarie Instalment is held and whether Completion occurs or not) suggest that the investor's purpose in incurring the interest expense is to obtain a tax deduction, interest deductibility may be denied by the Commissioner of Taxation.

If the Interest Amount is deductible, then the deduction should be allowed at the time the payment is made, subject to the prepayment rules. Broadly speaking, these rules shouldn't impact individuals (except to the extent that the restrictions on prepayments apply on a 12 month basis and to certain business expenditure). Generally, non-individuals (including self managed superannuation funds), some individuals who carry on a business and individuals prepaying interest for a period greater than 12 months will be required to spread any interest deductions for prepayments over the entire Interest Period.

Where there is an early termination of the investment, due to either the advancement of the Maturity Date or the occurrence of an early termination event, the balance of the undeducted interest may be allowed as a deduction in the income year in which the early termination occurs.

4.1.2 New Developments

On 16 April 2003 the Federal Treasurer announced the Government's decision to amend, with immediate effect, the Tax Act "to ensure that part of the expense on a capital protected product is attributed to the cost of the capital protection feature, is not interest and is not deductible where this cost is capital in nature".

The Government is currently considering the methodology to be used for apportioning the expense on a capital protected product. In the meantime, the Assistant Federal Treasurer has released an interim approach to be used for existing arrangements. In relation to instalment warrants traded on the ASX, the interim approach is in line with the approach which has been taken by the ATO in the product rulings which it has issued on instalment warrants containing a separately identifiable put option.

4.1.3 Additional Commentary for Shareholder Applicants

Where an amount of the Loan advanced to the Applicant is paid to him for his own use, the Applicant will need to ascertain whether there may be any restriction upon the amount of interest which he will be allowed as a deduction in respect of this portion of the Loan. Where that amount is used by the Applicant to gain assessable income then, subject to the same restrictions noted above, the interest in respect of this amount should be allowed as a deduction. However, if that amount is used for non-income producing purposes or private

Taxation Considerations

continued

purposes or to acquire assets which are held solely for the purpose of deriving capital gains, the amount of interest which is incurred which relates to that amount may not be allowed as a deduction.

The Applicant will also need to consider whether the deduction may be lost for the interest incurred in respect of the amount provided to the Applicant for his own use if that amount ceases to be used to gain assessable income prior to the discharge of the Loan.

In addition to the prepayment rules discussed above, the 'tax shelter arrangement' prepayment rules will be of particular relevance to Shareholder Applicants. These rules spread tax deductions even though they are for a period not exceeding 12 months, and have effect, prima facie, to all taxpayers with effect from 11 November 1999, subject to certain exemptions. In the case of Shareholder Applicants the specific exemption for negatively geared investments in shares may not apply because the Loan proceeds are not automatically invested in shares. Therefore, there is a risk that the deduction for the prepaid interest will have to be spread unless the proceeds of the Loan are applied to make negatively geared investments in real property, interests in real property, units in certain widely held unit trusts or listed shares.

4.1.4 Additional Commentary for Rollover Applicants

The Rollover Applicant will be required to pay an additional amount to Macquarie where a shortfall arises between the Loan and certain payments relating to the new Macquarie Instalment and the Prior Series Macquarie Instalment. Such a payment should not be deductible to the Applicant.

A portion of the Loan advanced to a Rollover Applicant is applied in paying the Final Instalment in respect of the Prior Series Macquarie Instalment. The Final Instalment may include an interest amount. The Applicant's entitlement to an allowable deduction in respect of the interest it incurs under the new Macquarie Instalment should not be affected by the fact that part of the Loan may be applied in discharging this previously arising interest expense, where that expense would itself have been deductible. Applicants should refer to the offer document for the Prior Series Macquarie Instalments on this matter.

4.1.5 Purchases and Sales on the ASX

Subject to the general rules outlined in Section 4.1.1 a purchaser on the ASX should be entitled to a deduction for the prepayment of interest funded by the drawdown of the Loan by the purchaser upon transfer of the Macquarie Instalment. A transferor (ie seller) of a Macquarie Instalment will be required to treat as assessable income, any refund of prepaid interest payable by Macquarie to the transferor (such amount will not be paid in cash but will be applied to reduce the outstanding balance of the transferor's Loan). To calculate the amount of any such refund the seller may refer to Macquarie's website at macquarie.com.au/instalments.

4.2 BORROWING FEE

All Macquarie Instalments require the payment of a Borrowing Fee. All or part of the Borrowing Fee is an amount attributable to the cost of the Holder's Put Option. The component relating to the cost of the Holder's Put Option is non-deductible and will form the cost base of the Holder's Put Option and, in the event that the Holder's Put Option is exercised, it will form part of the cost base of the Underlying Shares. To determine the amount of the non-deductible Put Option Fee, Holders should refer either to the online Tax Calculator which can be found on Macquarie's website at macquarie.com.au/tax or to their annual statement.

Any remaining portion of the Borrowing Fee is the cost of acquiring the Loan from Macquarie and will be deductible over the term of the Loan.

4.3 DIVIDEND ASSESSABILITY & FRANKING CREDITS

4.3.1 Dividend Assessability

A Holder will be entitled to any cash dividends paid in relation to the Underlying Shares during the period of ownership of the Macquarie Instalment. The Holder may not be entitled to the dividend which arises where the books close date for a dividend occurs after the Annual Reset Date or Maturity Date and the Holder has not paid a Rollover Payment (where one is due) or lodged a Completion Notice.

The investor will be assessed on such dividends and on an 'additional amount' which reflects the tax paid on the profits from which the dividends have been paid. The investor will be allowed a rebate of tax equal to this additional amount. This

rebate will reduce the tax liability of the investor to the extent that the investor has such a liability. Furthermore, resident individuals and certain entities may claim a refund of excess imputation credits.

4.3.2 Franking Credits

A Holder who is not a 'qualified person' in relation to a dividend paid on the Underlying Share will be denied the benefit of any franking credits attached to the dividend. The Holder will be a qualified person if they satisfy the 'related payments' rule and the 'holding period' rule (or alternative rules). The holding period rule requires the investor to have held the Share or interest in the Share continuously for more than 45 days 'at-risk', that is, without a material diminution of risk. The related payments rule requires the investor to have held the Share or interest in the Share continuously for more than 45 days 'at-risk' within a qualification period around the ex-dividend day or requires the investor to not make a related payment in respect of the dividend which would pass the benefit of the dividend to other persons.

A blanket exemption from these measures is available for individuals whose claim for franking rebates in any one year of income (in respect of the entire share portfolio of that taxpayer) will not exceed \$5,000. Investors should seek independent professional advice in relation to the operation of these 'qualified person' measures in respect of their proposed holding of the Macquarie Instalments and any other position they may hold in relation to the relevant Listed Entity before lodging a tax return claiming the benefit of any franking credits attached to a dividend.

4.4 TRUST DISTRIBUTIONS

4.4.1 Distributions From a Trust Which Is Not a Public Trading Trust

Where the Underlying Shares comprises units in a trust which is not a 'public trading trust,' and the distributions are funded out of dividends received by the trust from companies, the investor will be taxed in exactly the same way as described for dividends in Section 4.3.

An investor will be assessed on the foreign income component of a trust distribution and on an "additional" amount which reflects the foreign tax paid (if any) on that income. The investor will be allowed a credit for the foreign tax paid, up to the amount of Australian tax payable on the income.

The capital gains component of a trust distribution may be offset against losses of the investor. Where the CGT discount has been applied to the capital gain before distribution, the investor will be required to gross up the discounted capital gain for the purposes of offsetting any capital losses before applying the CGT discount.

The investor will not be assessed on any tax deferred component of a trust distribution. However, for the purposes of calculating either a capital gain or a capital loss, the cost base of their investment in the trust units will be decreased by the amount of any tax deferred distribution. When the total of all tax deferred distributions exceeds the cost base of the trust units, the cost base is reduced to zero and the excess is assessable as a capital gain.

4.4.2 Distributions From a Public Trading Trust

Where the distributions are from a trust which is a public trading trust for the purposes of the Tax Act, distributions from the trust will be regarded as dividends in the hands of the investor for income tax purposes and thus taxable in the manner described in Section 4.3.

4.5 ACCRUALS TAXATION

The tax implications outlined above may differ where the Underlying Shares includes a share or a unit in a foreign entity. In these circumstances, the investor may be subject to tax on an accruals basis on the income that they derive from their underlying investment in the foreign entity. Investors should seek tax advice on the possible application of accruals taxation to them.

4.6 CAPITAL GAINS TAX

4.6.1 General Matters

The capital gains tax provisions in the Tax Act apply where a CGT event stipulated in the Tax Act occurs.

A capital gain will be made if the capital proceeds received on the occurrence of a CGT event are greater than the cost base of the asset the subject of the CGT event. Subject to the comments below, the cost base of an asset generally includes its purchase price and incidental costs on its acquisition and disposal (eg any brokerage, stamp duty, etc).

Taxation Considerations

continued

Individuals, complying superannuation funds and certain trusts should be able to claim the discount capital gains concession which reduces the nominal capital gain by 50% for individuals and by 33⅓% for complying superannuation funds where the Shares were held for at least 12 months prior to the CGT event.

If the capital proceeds received on the disposal of an asset are less than its cost base, the difference is treated as a capital loss. Such losses cannot be used to reduce tax payable on ordinary income, but they can be offset against any capital gains arising in the current or future financial years.

For capital gains tax purposes, transactions relating to the investor's investment will involve dealings in potentially three separate assets, namely, the Beneficial Interest in the Underlying Shares, the Holder's Put Option and the Macquarie Instalment. The comments below relating to the allocation of capital proceeds in respect of the disposal of these assets and their cost bases have been made on the basis of what is likely to be acceptable to the Commissioner of Taxation. It is conceivable that the Commissioner of Taxation might attempt to allocate those amounts between the three assets in a different manner, but it is considered that such action is unlikely to result in a tax result which is materially different from that outlined below.

4.6.2 Cost Base of Macquarie Instalment

The investor will potentially have three separate cost bases in respect of his investment.

(a) Cash Applicants

The Applicant will have a cost base in respect of the Beneficial Interest in the Underlying Shares. The cost base of the Beneficial Interest will be equal to the amount of the First Payment plus the Loan made by Macquarie on the Application Date (except to the extent that it relates to interest and the Borrowing Fee).

The Applicant will also obtain a cost base in respect of the Holder's Put Option (if not exercised) which should reflect that portion of the Borrowing Fee referable to the Holder's Put Option.

The Applicant may have a third cost base in respect of the Macquarie Instalment which should reflect so much of the interest and the portion of the Borrowing Fee not referable to the Holder's Put Option incurred by the Applicant which are not allowable as a deduction.

(b) Shareholder Applicants

The Applicant's cost base in respect of his Beneficial Interest in the Underlying Shares is unchanged from the cost base the Applicant had in the Underlying Shares prior to applying for the Macquarie Instalment.

The Applicant will also obtain a cost base in respect of the Holder's Put Option (if not exercised).

So much of the interest and Borrowing Fee amounts incurred by the Applicant which are not allowable as a deduction should form part of the cost base of another asset to which the Loan Proceeds were applied to acquire that asset. The amount paid to the Applicant for the Applicant's own use simply comprises the making of a loan to the Applicant and does not enter into the cost base of any asset. To the extent that the loan proceeds are used to acquire another asset the Applicant may obtain a cost base in that other asset.

(c) Rollover Applicants

The Applicant's cost base in respect of his Beneficial Interest in the Underlying Shares will reflect the Applicant's cost base in the Beneficial Interest in the Underlying Shares as described in the offer document for the Prior Series Macquarie Instalment.

The Applicant will also obtain a cost base in respect of the Holder's Put Option (if not exercised).

The Applicant will also obtain a cost base in respect of his new investment which should reflect so much of the interest and Borrowing Fee amounts incurred by the Applicant which are not allowable as a deduction and so much of the Loan as is applied to acquire the new investment.

(d) Purchaser on ASX

The Transferee's cost base will include the amount paid on market plus the amount of the Loan drawn down on the date of Transfer (excluding the amount applied to prepay interest and the amount determined as the Holder's Put Option cost base (if not exercised)).

4.6.3 Sale of a Macquarie Instalment Before the Maturity Date

Where a Macquarie Instalment is sold before the Maturity Date, the effect of the sale will be to dispose of both the Holder's Put Option and also the Beneficial Interest in the Underlying Shares. In either case, a capital gain may accrue or a capital loss may be incurred by the investor.

A capital gain will accrue to an investor where the capital proceeds received upon the disposal of the Beneficial Interest exceed the cost base of the Beneficial Interest. Where the capital proceeds receivable upon disposal of the Beneficial Interest are less than the cost base, a capital loss will be incurred by the investor.

Upon the sale of a Macquarie Instalment, the investor will dispose of the Beneficial Interest subject to any Security Interest of Macquarie. This means that the capital proceeds will equal the actual sale price less the amount of the interest refund plus the amount of the Loan made by Macquarie to the investor still outstanding at the time of sale.

The Break Cost is a payment made in consideration for early repayment from the Transferor's perspective and as such it is a cost of selling the Instalment (where payable by the Transferor) or forms part of the proceeds of the sale of the Instalment (where receivable by the Transferor). As the Break Cost forms part of the actual sale price of the Macquarie Instalment it is included in the calculation of the capital proceeds as set out in the preceding paragraph.

The disposal of the Holder's Put Option should yield a capital loss equal to its cost base as it is unlikely that any part of the actual sale price received by the investor will relate to this asset.

4.6.4 The Investor Makes the Completion Payment

Where an investor lodges a Completion Notice and makes the Completion Payment, the Security Trustee is obliged to transfer the legal title to the Underlying Shares to the investor. At that time, any rights in relation to the Macquarie Instalment are extinguished and any Security Interest is discharged.

As this transfer occurs in discharging the security interest in relation to the Underlying Shares, no capital gains tax consequences should arise at this time for either the Security Trustee or investor.

The cost base which the investor acquires in the Underlying Shares will be the amounts included in the cost base as described previously and will be unaffected by the payment of the Completion Payment (since that payment merely comprises the repayment of a loan).

The calculation of any capital gain or loss on the subsequent disposal of the Underlying Shares by the investor will be made in accordance with the general capital gains tax comments made previously.

4.6.5 The Investor Exercises the Holder's Put Option

If the investor exercises the Holder's Put Option, the Beneficial Interest in the Share will be transferred to Macquarie for an exercise price equal to the greater of the Market Value of the Share at that time or the amount of the Completion Payment. Of the amount payable, Macquarie will retain an amount sufficient to discharge the Loan.

For capital gains tax purposes, the investor will be treated as having received capital proceeds in respect of this disposal equal to the exercise price. A capital gain will arise if this amount is greater than the sum of the cost base of the Beneficial Interest and the cost base of the Holder's Put Option. Alternatively, if the exercise price is less than this cost base, a capital loss should arise.

4.6.6 No Completion Notice Given (and Holder's Put Option Not Exercised)

If the investor does not make the Completion Payment, Macquarie will exercise its rights under any Security Interest and will dispose of the Underlying Shares by exercising its power of sale and return to the investor the greater of:

- the proceeds of sale less the Completion Payment (which is retained in discharge of the Loan) and any costs incurred in relation to the sale; and
- the Assessed Value Payment.

The Macquarie Instalment will thereby be extinguished and the Beneficial Interest will be taken to have been disposed of at that time for capital gains tax purposes. A capital gain should accrue to the investor on the disposal of the Beneficial Interest if the proceeds of sale (ie comprising the amount receivable by the investor (net of selling costs) and the amount applied to pay the Completion Payment) exceeds the cost base.

Taxation Considerations

continued

A capital loss should arise where the sale proceeds are less than the cost base of the Underlying Shares. In calculating a capital loss, where the sale proceeds are less than the Completion Payment so that there is an amount of Completion Payment left unpaid, it is likely that the Commissioner of Taxation would seek to reduce the cost base of the Underlying Shares by the amount of the shortfall.

4.6.7 Repayment of Loan

The payment of the Completion Payment, a sale on the ASX, the exercise of the Holder's Put Option or the exercise by Macquarie of its rights under any Security Interest will all result in the Loan made by Macquarie to the investor being repaid. No additional tax consequences should arise for the investor in this regard.

4.6.8 Early Completion Payment - Refund of Interest

If the Maturity Date is brought forward due to an Extraordinary Event and the Completion Payment is made, the investor may be entitled to a refund of some of the interest which he has prepaid. The effect on the time at which the interest may be deductible of an early discharge of the Loan is discussed above.

Where an amount of interest is refunded in these circumstances, that amount may be required to be included in the assessable income of the investor in the year of receipt.

For capital gains tax purposes, the investor will be subject to the same principles as described previously.

4.6.9 Transfer of Share to Trustee by Shareholder Applicant

The Shareholder Applicant will transfer his legal ownership of the Share to the Trustee pending the transfer of the legal title to the Share upon repayment of the Loan. This transfer will not cause a CGT Event to occur for the purposes of the capital gains provisions of the Tax Act because the Applicant will not have parted with his Beneficial Interest in the Share.

4.6.10 Completion of Prior Series Macquarie Instalment by Trustee

The Rollover Applicant will, as part of the Application for a Macquarie Instalment, apply for a Loan from Macquarie. Part of the Loan provided to the Rollover Applicant in respect of the Macquarie Instalment will then be applied in discharging the Prior Series Macquarie Instalment. The Loan advanced to the Applicant under the Prior Series Macquarie Instalment will thereby be repaid, any Security Interest in respect of that Instalment will be discharged and the Prior Series Macquarie Instalment will be extinguished. The Security Trustee will acquire legal title to the Share in respect of which the Prior Series Macquarie Instalment was issued.

At the same time that those events arise, the Underlying Shares will immediately become subject to any Security Interest of Macquarie under the Macquarie Instalments.

None of the events described above should result in any disposal of the Applicant's Beneficial Interest in the Underlying Shares for capital gains tax purposes.

The Rollover Applicant may incur a capital loss in respect of the extinguishment of the Holder's Put Option in relation to the Prior Series Macquarie Instalment equal to his cost base in the Holder's Put Option for that Prior Series Macquarie Instalment. Rollover Applicants should refer to the offer document pursuant to which the Prior Series Macquarie Instalments were offered and the website for guidance in determining the cost base of the Holder's Put Option for the Prior Series Macquarie Instalments.

4.7 TFN / ABN WITHHOLDING

Investors should be aware that the Security Trustee may be required to withhold an amount from any dividends or trust distributions paid on the underlying Shares if the investor does not provide the Security Trustee with their TFN or ABN (as applicable) or proof of an exemption.

4.8 GOODS AND SERVICES TAX

Generally, the GST applies to the supply of goods, services or other things. No direct GST implications should arise to an investor where the supplies they acquire or make as a result of their investment in a Macquarie Instalment do not relate to the carrying on of an enterprise (ie an activity which constitutes a business or trade).

Terms of the Issue

This summary of the terms of the Trust Deed has been prepared by Allens Arthur Robinson. This Section does not purport to be a comprehensive summary of all the terms of the Trust Deed but highlights particular provisions that Macquarie wishes to encourage prospective investors to consider in detail and discuss with their professional advisers. Prospective investors should contact their financial adviser or Macquarie in order to obtain a copy of the complete Trust Deed.

Clause references are to clauses in the Trust Deed.

5.1 Structure

Macquarie (as Issuer) and Belike Nominees Pty Limited, a fully owned subsidiary of Macquarie (as Security Trustee) are parties to a Trust Deed which contains the terms of issue of the Macquarie Instalments offered under this PDS.

The Security Trustee has also executed a Nominee Deed in respect of the Series issued under this PDS. Under the Nominee Deed, the Security Trustee undertakes to hold each Share transferred to the Security Trustee or its nominee by Macquarie or an Applicant as bare trustee for the relevant person on a separate trust. The Security Trustee will also hold each Underlying Share transferred to the Security Trustee upon payment of the Final Instalment on Prior Series Macquarie Instalments as bare trustee for the Holder of the corresponding Macquarie Instalment on a separate trust until the HPO Expiry Date, or the earlier payment of the Completion Payment.

The Security Trustee may itself appoint a nominee to be the registered holder of Shares and Accretions for the Security Trustee under a bare trust. The nominee may be a related body corporate of Macquarie.

Each Separate Trust will terminate upon the Security Trustee (or its nominee) ceasing to hold the legal title to the Underlying Shares.

The Trust Deed and the Nominee Deed are available for inspection at the Registry. Copies of each Deed are available free of charge to Holders of Macquarie Instalments, or for a fee of \$10 each to other persons.

The Security Trustee has very limited discretions, choices and responsibilities beyond those required by the ASX Business Rules, the Listing Rules and the SCH Business Rules.

The following is a summary of the material terms of the Trust Deed.

5.2 Definitions (clause 1)

The definitions contained in the Trust Deed are substantially set out in Section 9 of this PDS.

5.3 Interpretation (clause 1)

The Trust Deed has been prepared so as to conform to the ASX Business Rules and the SCH Business Rules, subject to any waivers and approvals granted by ASX. The Trust Deed is to be interpreted so that it conforms to those rules as amended.

5.4 Rights and Obligations of the Holder (clause 1)

All Holders are bound by the terms of the Trust Deed and are entitled to the benefit of the obligations under the Trust Deed of the Security Trustee, Macquarie and any other person under the Trust Deed.

Holders are not responsible for the obligations of the Security Trustee, Macquarie, or any other Holder.

5.5 The Loan and the Issue of Macquarie Instalments (clause 2)

When Macquarie accepts an Application under the PDS, Macquarie agrees to issue a Macquarie Instalment and make a Loan to the Applicant. Macquarie Instalments are issued on the following terms:

- The Applicant must lodge a completed Application Form;
- Depending on the type of Application made, the Applicant must pay the First Payment, transfer the Shares or Instalment Receipts to the Security Trustee or its nominee or rollover Prior Series Instalments by directing such payment, transfer or rollover;
- In respect of Rollover Applications, Macquarie will procure the payment of the Final Instalment on any Prior Series Instalments from the Loan Proceeds before the last day for payment;

Terms of the Issue

continued

- In respect of Shareholder Applicants, where the Underlying Shares includes a Share which trades subject to Deferred Settlement, Macquarie is not obliged to provide the Loan Amount to the Holder until the Deferred Settlement ceases and the Shares are transferred to the Security Trustee;
- The Underlying Shares transferred to the Security Trustee upon payment of the Final Instalment will be held by the Security Trustee as nominee for the Holder, subject to any Security Interest which Macquarie has in the Underlying Shares to secure the Loan;
- The Holder has the right, but not the obligation, to give a Completion Notice;
- The Holder is not obliged to make the Completion Payment unless a valid Completion Notice has been given;
- If the Underlying Shares includes a Share which trades subject to Deferred Settlement and the Holder delivers a valid Completion Notice and pays the Completion Payment in cleared funds to Macquarie during the Deferred Settlement Period, Macquarie will procure the transfer of the Share comprised in the Underlying Shares within 20 Business Days of the cessation of the relevant Deferred Settlement Period relating to the Underlying Shares;
- On each Annual Reset Date the Annual Nomination Procedure will apply;
- The Holder may give a Completion Notice and pay the Completion Payment at any time before the Maturity Date. Where the Completion Payment is made and cleared, any Security Interest will be discharged and the legal interest in the Underlying Shares will be transferred to the Holder; and
- The Holder has the right, but not the obligation, to exercise the Holder's Put Option and sell the Underlying Shares to Macquarie on the Maturity Date. If the Holder gives a valid HPO Exercise Notice, Macquarie will be obliged to pay the HPO Exercise Price to the Holder – which is the greater of the Completion Payment or the Market Value of the Underlying Shares on the Maturity Date – less the Completion Payment.

If the Holder does not make the Completion Payment or exercise the Holder's Put Option, Macquarie may exercise a power of sale under any Security Interest and dispose of the Underlying Shares. In that case, Macquarie shall pay the Holder the greater of:

- (i) the net proceeds of sale of the Shares less all costs, fees, placement fees and other expenses of or incidental to the sale, the Completion Payment and any Security Interest in respect of the Underlying Shares; and
- (ii) the Assessed Value Payment.

Information concerning the amounts of the Loan and the Completion Payment in relation to each Series of Macquarie Instalments is set out in Sections 1 and 2 of the PDS.

A more detailed description of the Holder's Put Option is set out in Section 5.22.

5.6 ASX Quotation (clause 2)

Macquarie will procure quotation of Macquarie Instalments within one month after the date of the PDS and thereafter as soon as reasonably practicable after Acceptance.

5.7 The Separate Trusts (clause 3)

Each Holder is entitled, by virtue of the Separate Trust, to the Beneficial Interest in each of the Underlying Shares corresponding to the Macquarie Instalments registered in the name of the Holder.

The Security Trustee must treat the property of each Separate Trust separately and may not pool the interests or property of the Separate Trusts. However, the Security Trustee may, for administrative purposes, aggregate Underlying Shares held by the same Holder, aggregate Macquarie Instalments held by the same Holder, hold Shares under the same HIN and operate a common bank account.

Each Macquarie Instalment corresponds to an individual Underlying Share registered in the name of the Security Trustee. Each Underlying Share is assigned a number for the purposes of the Registrar's records and the corresponding Macquarie Instalment is assigned the same number or a number which is capable of corresponding to the number assigned to the Underlying Share.

Macquarie must maintain (or cause the Registrar to maintain) a correspondence between Underlying Shares and the Macquarie Instalments to which they relate, notwithstanding that it may not be possible to maintain identification of particular Macquarie Instalments or Underlying Shares.

Where:

- (i) a Completion Notice is given in respect of some but not all of a Holder's Underlying Shares;
- (ii) the proceeds of a cheque accompanying a Completion Notice is for an amount less than the total of the Completion Payments specified in the Completion Notice; or
- (iii) an HPO Exercise Notice is given for some but not all of the Macquarie Instalments held by a Holder,

Macquarie has the discretion to determine which of the Underlying Shares will be retained and remain subject to any Security Interest.

If a Disposal Event occurs in relation to some but not all of the Underlying Shares corresponding to Macquarie Instalments of a particular Holder the Security Trustee has a discretion to determine which Underlying Shares are retained.

Each Accretion forms part of the relevant Underlying Shares and is subject to any Security Interest.

Fractions of Shares remaining in the aggregate of Shares and Accretions in Underlying Shares or Macquarie Instalments held by a particular Holder are disregarded in relation to the giving of a Completion Notice or the exercise of the Holder's Put Option.

5.8 Third Party Rights (clause 3)

No Encumbrance may be created or permitted to subsist in respect of an Underlying Share except for any Security Interest.

No person may exercise control over the transfer or disposal of Underlying Shares (including Macquarie) except in accordance with the terms of the Trust Deed.

5.9 Amendment (clause 3)

The Trust Deed may not be amended to create third party rights inconsistent with the existing provisions of the Nominee Deed or Trust Deed nor to adversely affect the fundamental rights of Holders to receive distributions, give a Completion Notice, make the Completion Payment and receive the Underlying Shares.

5.10 The Security Trustee (clause 4)

Macquarie does not guarantee the performance or compliance by the Security Trustee with its obligations under the Trust Deed.

5.11 Holding Statements (clause 5)

Macquarie need not issue a certificate evidencing the Holder's title to a Macquarie Instalment but must comply with the SCH Business Rules governing CHESS and the ASX Business Rules.

However, Holders will be entitled to receive statements of their holdings as required by the Corporations Act, the ASX Business Rules and the SCH Business Rules.

A Holding Statement is not an item of separate property and is not conclusive evidence of a holding of Macquarie Instalments.

5.12 The Register (clause 6)

Macquarie must establish, or direct the Registrar to establish, a Register in respect of each Series of Macquarie Instalments.

The Register must contain the following information: the name and address of each Holder, the number of Macquarie Instalments held, the date of issue and Maturity Date of the relevant Macquarie Instalments, the dates upon which the Holder became and ceased to be a Holder of the relevant Macquarie Instalments and other particulars which Macquarie thinks fit.

Terms of the Issue

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Holders must notify changes in particulars to the Registrar.

The Register will be open for inspection at reasonable times on Business Days by any Holder. No notice of any trust will be entered in the Register. The Register will be audited at intervals of not more than 3 months with results reported to the ASX.

The normal rules concerning registration of joint Holders, and recognition of representatives of deceased, insane and bankrupt Holders apply.

5.13 Location and Evidence (clause 6)

Property in Macquarie Instalments is situated at the place where the Register is situated, and not elsewhere. Macquarie must recognise the Holder as the absolute owner of the Macquarie Instalments for which the Holder is registered. Macquarie is not bound to take notice of any trust or equity affecting ownership of Macquarie Instalments.

5.14 Transfer (clause 7)

Transfers of Macquarie Instalments must be a Proper SCH Transfer or a Prescribed Transfer, and in accordance with the Trust Deed, the Corporations Act, the applicable ASX Business Rules and SCH Business Rules.

The transferor remains the owner of Macquarie Instalments the subject of a Transfer until the name of the transferee is entered in the Register in respect of the relevant Macquarie Instalments.

On registration, the transferee is recognised as being entitled to the Macquarie Instalments, free from any equity, set-off or cross-claim which Macquarie may have against the transferor.

The Registrar may refuse to register Transfers if permitted to do so by the applicable Business Rules, and must do so where the Business Rules require. If the Registrar refuses to register a Transfer, notice must be given to the Holder within 5 Business Days.

On a Transfer of a Macquarie Instalment a new Loan is provided to the Transferee on the Effective Date. A Break Cost may be payable by either Macquarie or the Transferor.

5.15 Record Times (clause 8)

Macquarie must, as nearly as possible, fix Record Times at the same time fixed by the Listed Entity or Listed Entities in respect of the relevant event for Shares comprised in the Underlying Shares.

The provisions of Division 4 of Part 7.11 and Regulation 7.11.39 of the Corporations Act shall apply as far as possible to determine the entitlement of Holders.

5.16 Distributions (clause 9)

Where the relevant Listed Entity pays a distribution (other than a Special Dividend) wholly or partly in cash in respect of an Underlying Share, subject to relevant Tax File Number obligations, the Security Trustee is obliged to pay that cash distribution to the relevant Holder as soon as practicable after the Security Trustee receives the distribution from the Listed Entity and payment is cleared. At the irrevocable direction of the Holders, the Security Trustee must pay cash Special Dividends to Macquarie who will apply all or part of a cash Special Dividend to reduce the Completion Payment on the relevant Macquarie Instalments, with the balance (if any) paid to the Holder. The Security Trustee is obliged to take reasonable action at the direction of Macquarie in order to disclose to the Holder information necessary to determine its entitlement to any franking credit, dividend rebate or other tax benefit.

Distributions are to be paid by cheque posted to the registered address of the Holder or by electronic means (with the Holder's consent) to the Holder's account. If a distribution is paid after the Maturity Date in respect of an Underlying Share for which a valid Completion Notice has been given, or if a valid Completion Notice has not been given, in respect of an Underlying Share which has been sold ex-distribution by the Security Trustee, then the distribution will be payable by the Security Trustee to the Holder, but not otherwise.

Neither the Security Trustee nor the Holder may participate in any dividend reinvestment plan or other share plans of the Listed Entity related to or in lieu of distributions.

5.17 Voting (clause 10)

Holders of Macquarie Instalments are not entitled to receive notices of meetings of the relevant Listed Entity or to attend or speak or vote at any meeting of members (or class of members) of the Listed Entity.

The Security Trustee may not cast any vote in respect of Underlying Shares at any meeting of members (or class of members) of the Listed Entity either in its own right or on behalf of Holders.

5.18 Security Interest (clause 11)

Macquarie may have a Security Interest (an equitable mortgage) granted by the Security Trustee in respect of the trust property of each Separate Trust from time to time, being the Shares and all Accretions in relation to the relevant Underlying Shares. Any Security Interest secures the Loan, any fees, costs, charges, liabilities, Tax and expenses incurred by and payable to Macquarie in relation to Underlying Shares.

If the Holder does not give a Completion Notice and make the Completion Payment by the relevant Maturity Date, pay a Rollover Payment by the relevant Annual Reset Date, or exercise the Holder's Put Option, Macquarie is entitled to exercise a power of sale under any Security Interest, deduct the Secured Moneys from the proceeds and remit the balance to the Holder (unless the Assessed Value Payment is higher, in which case Macquarie must remit the Assessed Value Payment to the Holder).

Macquarie has the usual rights of an Equitable Mortgagee, including the right to appoint a receiver.

5.19 Early Maturity Date (clause 12)

Provided it has obtained the consent of ASX, Macquarie may in its absolute discretion bring forward the Maturity Date upon the occurrence of an Extraordinary Event. Extraordinary Events include, among other things, the making of buy-back offers, an announcement of a takeover offer or scheme of arrangement in respect of the Shares comprised in Underlying Shares, a Listed Entity ceasing to be listed, the relevant Macquarie Instalments ceasing to be quoted (unless caused by Macquarie) or the occurrence of a Trust Tax Change. If, at its

discretion, Macquarie determines that a Series of Macquarie Instalments will terminate on an Annual Reset Date, then the Maturity Date for that Series will be fixed as the relevant Annual Reset Date.

The new Maturity Date must be a date not earlier than 10 Business Days (or 20 Business Days in circumstances where Macquarie has terminated a Series on an Annual Reset Date) after Macquarie has sent written notice to all Holders advising of the new Maturity Date.

5.20 Completion Notice and Completion Payment (clause 13)

Macquarie is obliged to send Reminder Notices not more than 30 but not less than 20 Business Days prior to the relevant Annual Reset Date and the Maturity Date, informing Holders of the details of their holding and the relevant Revised Loan Amount, indicative New Interest Amount and Borrowing Fees, Completion Payments, the details of the Holder's Put Option and the consequences of a failure to give a valid Completion Notice.

If a Holder delivers a Completion Notice to Macquarie in respect of Macquarie Instalments held over certain Shares during the Deferred Settlement Period relating to such Shares, such Completion Notice shall be deemed to be given at (but not earlier than) the cessation of the relevant Deferred Settlement Period.

A Holder may give a Completion Notice at any time prior to 6.00 pm on the Maturity Date.

A Completion Notice, once given, becomes valid immediately when given, subject to certain exceptions upon which Macquarie may rely. For example, the person giving the notice must be registered as the Holder or must become registered as the Holder within 5 Business Days after the Maturity Date or the earlier lodgement of the Completion Notice. If more than one Completion Notice is given in respect of an Underlying Share, the Completion Notice given by the person who is the last person who became entitled to be the Holder of the Instalment prior to 6.00 pm on the transfer date (to the knowledge or in the reasonable opinion of Macquarie) will be treated as the only valid Completion Notice.

A Completion Notice will not be valid unless the Completion Payment is made with the Completion Notice so that it is cleared within 5 Business Days after the Completion Notice is given.

Terms of the Issue

continued

If a valid Completion Notice is given and the Completion Payment is made and cleared, Macquarie is obliged to give notice to the Security Trustee and the Registrar that a valid Completion Notice has been given in respect of the relevant Underlying Shares. The Security Trustee must transfer the unencumbered legal title to the Underlying Shares to the Holder concerned within 20 Business Days after the Completion Notice is given. Upon transfer to the Holder, any Security Interest is extinguished, the Macquarie Instalments cease to exist, and the Holder's Beneficial Interest in the Underlying Shares merges in the legal title.

If a Completion Notice is not given in respect of an Underlying Shares, or if the Completion Payment has not been made and cleared within 5 Business Days after the Completion Notice is given, and the Holder has not exercised the Holder's Put Option (described below), Macquarie will exercise its powers of sale under any Security Interest and dispose of the Underlying Shares. In addition, if on an Annual Reset Date the Holder has not paid the Rollover Payment due on a Macquarie Instalment on that Annual Reset Date, and a Completion Notice is not given in respect of the relevant Underlying Shares, or if the Completion Payment has not been made and cleared within 5 Business Days after the Completion Notice is given, Macquarie may exercise its power of sale under the Security Interest in whole or in part and dispose of the Underlying Shares.

Any Security Interest is thus discharged, the Macquarie Instalments will cease to exist, the Holder's Beneficial Interest is extinguished, and Macquarie and the Security Trustee have no further obligations to the Holder.

The proceeds of sale will be applied in the manner described in Section 5.18.

Macquarie may, in its absolute discretion, set off any amounts due to the Holder from Macquarie under the Annual Nomination Procedure in satisfaction of any amount due from the Holder to Macquarie under the Annual Nomination Procedure in respect of each Series held by the Holder under the same HIN or SRN.

5.21 Liquidated Damages (clause 13)

If Macquarie fails to perform its obligation to pay the Final Instalment or the Security Trustee fails to perform its obligations and deliver unencumbered legal title to the Holder following payment of the Completion Payment, the Holder may give a Default Notice to Macquarie. Macquarie must pay the Liquidated Damages Amount to the Holder within ten Business Days of receiving a Default Notice.

The Liquidated Damages Amount is 110% of the Market Value of the Underlying Shares (disregarding any Security Interest). The Market Value is calculated as the weighted average sale price of Shares comprising the Underlying Shares on the ASX during the 5 trading days following the date the Completion Notice was given excluding special crossings, overseas sales and option exercises. Payment of the Liquidated Damages Amount to the Holder extinguishes the Beneficial Interest of the Holder in the Underlying Shares and the corresponding Macquarie Instalment ceases to exist.

All obligations of Macquarie and the Security Trustee to the Holder in respect of an Underlying Shares are discharged once the Security Trustee has transferred the Underlying Shares to the Holder or Macquarie has paid the Liquidated Damages Amount to the Holder in respect of that Underlying Shares.

5.22 Holder's Put Option (clause 14)

The Holder's Put Option is granted to the Holder by Macquarie. The Holder's Put Option entitles the Holder to require Macquarie or Macquarie's nominee to acquire the entire right title and interest of the Holder in each remaining Underlying Share on the Maturity Date. The Holder's Put Option is exercisable by giving an HPO Exercise Notice by 12.00 pm (Sydney time) on the Maturity Date. The Holder's Put Option is exercisable at the HPO Exercise Price, being the greater of the Completion Payment and the Market Value of the Underlying Shares on the Maturity Date. Macquarie will deduct an amount equal to the Completion Payment from the HPO Exercise Price, to discharge the Loan.

In addition, the Holder irrevocably directs the Security Trustee to transfer to Macquarie the Underlying Shares for which the Holder's Put Option is exercised.

If the Holder exercises the Holder's Put Option and Macquarie fails to pay the HPO Exercise Price, the Holder may give a Default Notice whereupon Macquarie becomes obliged to pay a Liquidated Damages Amount of 110% of the HPO Exercise Price, less the Completion Payment.

If Macquarie is legally prohibited from accepting delivery of the Underlying Shares then Macquarie will give notice to a Holder exercising the Holder's Put Option, so that the Holder is deemed to appoint Macquarie Equities as its agent for the sale of the Underlying Shares, the sale proceeds are remitted to Macquarie, and Macquarie remains obliged to pay the HPO Exercise Price (after deducting the Completion Payment).

5.23 Disposal Events (clause 15)

A Disposal Event is an event by which the Security Trustee is obliged to dispose of Underlying Shares as a result of the application of Australian laws, regulations, rules or court orders, otherwise than by way of compulsory acquisition, scheme of arrangement or reduction of capital.

The Security Trustee is obliged to sell the requisite number of Underlying Shares as may be required as a result of the Disposal Event, in accordance with the relevant obligation. The proceeds of any sale of Underlying Shares in these circumstances must be applied in accordance with the Order of Payment and the relevant Macquarie Instalments cease to exist.

The title of the transferee of an Underlying Share sold in these circumstances is not affected by any irregularity, invalidity or failure to give or receive a notice in connection with the sale. Once the transferee's name has been entered into the relevant share register, the validity of the sale cannot be challenged.

5.24 Takeover Offers and Schemes of Arrangement (clauses 16 and 18)

If an announcement of an intention to either make a takeover offer or enter into a scheme of arrangement is made in relation to Underlying Shares, Macquarie may at its discretion (with the consent of ASX) fix an early Maturity Date and will pass on information from the relevant Listed Entity in relation to those offers or schemes, but the Security Trustee must not accept the offers, and has no obligation to communicate any information to Holders concerning the offers.

If, following a takeover offer, Underlying Shares are compulsorily acquired, the proceeds of the compulsory acquisition (including the proceeds of sale of any non-cash consideration) must be applied in accordance with the Order of Payment, and the relevant Macquarie Instalments will be cancelled.

Where a scheme of arrangement is implemented in relation to Underlying Shares, the Security Trustee is obliged to distribute the cash consideration (or the sale proceeds of non-cash consideration) in accordance with the Order of Payment and to cancel the relevant Macquarie Instalments.

5.25 Takeover Offers for Macquarie Instalments (clause 17)

If a takeover offer is made for Macquarie Instalments, the Security Trustee has no obligation to respond. The Security Trustee has no liability to any Holder or any other person for any liability suffered as a result of any step taken or omitted by the Security Trustee on advice.

5.26 Buy-backs (clause 19)

If a buy-back offer is made in relation to Underlying Shares, Macquarie may fix an early Maturity Date but the Security Trustee is obliged to reject the buy-back offer and is not bound to give any notification to Holders, unless Macquarie, in its absolute discretion advises Holders of the offer and such Holders have directed Macquarie to accept the offer, and Macquarie directs the Security Trustee to accept the buy-back offer.

Terms of the Issue

continued

5.27 Bonus Issues (clause 20)

Shares issued to the Security Trustee as a result of a bonus issue by a Listed Entity may form part of the relevant Underlying Shares and will be subject to any Security Interest.

5.28 Rights Issues (clause 21)

Where a rights issue is made to the Security Trustee in relation to an Underlying Share, the Security Trustee has no obligation to respond to the offer nor to dispose of the entitlement. However, the Security Trustee may seek advice as to what reasonable action may be taken in order to confer the benefit of that rights issue upon Holders.

5.29 Reconstruction of Underlying Shares (clause 22 and 24)

Where there is a subdivision or consolidation of Underlying Shares, the replacement Shares will constitute the Underlying Shares, provided that the correspondence between Underlying Shares and Macquarie Instalments can be maintained.

Where a Listed Entity reduces its share capital, if there is any cash payment in respect of Underlying Shares (or if there is non-cash consideration, the proceeds of sale of that consideration) the Security Trustee is obliged to pay that amount to Macquarie in accordance with the Order of Payment and the Completion Payment will be reduced by the relevant amount. If cash amounts paid to Macquarie as a result of a reduction of capital exceed the amounts payable under paragraphs (a) and (b) of the definition of Order of Payment, then any Security Interest is automatically extinguished and the Security Trustee is obliged to transfer the Underlying Shares to the Holder and cancel the relevant Macquarie Instalment.

Where Underlying Shares are cancelled as a result of the reduction of capital, then the proceeds must be distributed in accordance with the Order of Payment and there will be a corresponding cancellation of Underlying Shares and Macquarie Instalments.

5.30 Reconstruction of Macquarie Instalments (clause 23)

Macquarie may consolidate or sub-divide Macquarie Instalments with the consent of Holders by resolution, and the Underlying Shares and Completion Payments must be adjusted accordingly. Such consent to reconstruction is, however, not required where the reconstruction of Macquarie Instalments is consequent upon and proportionate to a reconstruction of the Underlying Shares.

5.31 Other Corporate Events (clause 25)

If a Listed Entity or third party takes an action in respect of the capital of a Listed Entity or Underlying Shares other than those actions referred to in Sections 5.24 to 5.30, Macquarie may, with the consent of ASX, determine the appropriate Reasonable Action to be taken in respect of the relevant Macquarie Instalments.

5.32 Cancellation of Macquarie Instalments (clause 26)

Macquarie may cancel Macquarie Instalments of which it is the Holder by recording the cancellation in the Register and directing the Security Trustee to sell the corresponding Underlying Shares and apply the sale proceeds in accordance with the Order of Payment.

5.33 Powers and Duties of the Security Trustee (clause 27)

The Security Trustee has limited powers and responsibilities.

The Security Trustee has specific powers of sale in the circumstances described above, and has general powers to administer the Separate Trusts, including powers to maintain bank accounts, and to give acknowledgments and undertakings to the ASX and SCH.

The Security Trustee also has power to lend Underlying Shares to Macquarie or related bodies corporate, where the borrower is the Holder of the Macquarie Instalment that corresponds to that Underlying Share. The Holder may not give a Completion Notice in respect of those Macquarie Instalments during the period of the Loan.

The Security Trustee may borrow, grant security and make payments in the manner contemplated by the Trust Deed.

5.34 Reliance on Advice (clause 28)

The Security Trustee may appoint attorneys, and may rely on advice from advisers engaged by the Security Trustee. The Security Trustee is not liable for anything done or suffered by it in good faith in reliance upon such advice.

5.35 Liability of the Security Trustee (clause 28)

The Security Trustee is not required to monitor Listed Entities or compliance by Macquarie or the Registrar with their obligations. The Security Trustee has no responsibility for the performance by either of them of their obligations or for any of their acts or omissions.

The Security Trustee has no responsibility for any acts or omissions of a nominee appointed pursuant to the Nominee Deed, nor for any breach of the Nominee Deed or the Trust Deed caused by the nominee.

The Security Trustee is not responsible for the adequacy or enforceability of the Trust Deed or Nominee Deed or the other Terms of the Macquarie Instalments.

The Security Trustee is not required to do or omit to do anything unless its liability is satisfactorily limited. It is not required to use its own funds for the payment of any expenses or liabilities.

Save for any liability which the Security Trustee may have as a result of dishonesty, gross negligence or wilful breach of trust, the Security Trustee will not be liable to any Holder for any amount exceeding the amount for which that liability can be satisfied from the relevant Separate Trusts.

The liability of the Security Trustee is subject to the usual qualifications permitting reliance on third parties in specified circumstances and excusing acts and omissions of the Security Trustee except those caused by dishonesty, gross negligence or wilful breach of trust.

The Security Trustee is indemnified by Macquarie and (failing the Macquarie indemnity) from the property of the Separate Trusts, for liabilities properly incurred in the exercise of its powers and the performance of its duties and functions under the Trust Deed.

The Security Trustee is not required to prepare accounts or tax returns for the Separate Trusts.

5.36 Holdings by the Security Trustee and Macquarie (clause 28)

The Security Trustee, Macquarie, related bodies corporate and officers are not prohibited from holding Macquarie Instalments, entering into financial transactions with any Holder, or acquiring Underlying Shares. Nor will those persons be liable to account to Holders for profits or benefits derived as a result of those activities or other business activities between the parties.

5.37 Replacement of Security Trustee (clause 28)

Macquarie is entitled to remove the Security Trustee and appoint a new Security Trustee in respect of all of the Separate Trusts under the Trust Deed, subject to the consent of the ASX. The Security Trustee may resign and Macquarie may appoint a replacement subject to the consent of the ASX.

SECTION 5

Terms of the Issue

continued

5.38 Taxes (clause 29)

If the Security Trustee receives a demand or assessment for any Taxes referable to a Holder, a holding of Macquarie Instalments or any Underlying Shares, then, if the Security Trustee is advised to pay, that amount shall be payable by the Holder in respect of the relevant Macquarie Instalment to the Security Trustee upon demand.

If Macquarie, the Broker or the Security Trustee become liable as a Supplier to pay GST under any GST legislation, the Supplier may add an amount in respect of that GST to the agreed price of the affected supply.

5.39 Payments to the Security Trustee (clause 30)

The Security Trustee is entitled to reimbursement by Macquarie of certain specified outgoings, including Taxes for which a Holder is liable but for which payment has not been received.

5.40 Audit (clause 31)

Macquarie must arrange for audits of compliance with the Corporations Act and the ASX Business Rules to be undertaken.

5.41 Amendments to Trust Deed (clause 37, 39 and 40)

The Trust Deed may be amended with the consent of the ASX, by supplemental deed executed by Macquarie and the Security Trustee. Where the amendment may materially prejudice the interests of any Holder, it must be authorised by a resolution of Holders.

Holders are not entitled to requisition a meeting of Holders.

5.42 Provision of Information (clause 34, 35 and 36)

Holders are obliged to provide information as Macquarie or the Security Trustee may reasonably request and must provide details of its holdings of Shares, on request by the Registrar.

Holders agree to the tape recording of telephone conversations with Macquarie concerning Macquarie Instalments, the retention by Macquarie of such tape recordings and the use by Macquarie or the Security Trustee of such tape recordings as evidence of the content of the recorded conversation.

A Holder's holdings of Macquarie Instalments and Shares may be aggregated for the purposes of applicable laws.

5.43 Law and Jurisdiction (clause 42)

The Trust Deed and the Nominee Deed are governed by NSW law and the parties submit to the exclusive jurisdiction of NSW courts.

SECTION 6

Description of the Underlying Shares

The Listed Entities over which the Macquarie Instalments are issued are listed on the ASX and so are required to disclose certain information to the ASX on a continual disclosing basis. Historical information relating to the Listed Entities, including information about prices, dividends and trading volumes of the Shares, are available from various sources including the ASX, brokers and newspapers. Investors should not take the historical performance of Shares as an indication of future performance.

Macquarie does not accept any liability or responsibility for and makes no representation or warranty, whether express or implied, as to the affairs of any Listed Entity included in this PDS. Potential investors should make their own enquiries.

Potential investors should obtain advice from a stockbroker or qualified financial adviser on the nature, activities and prospects of the Listed Entities and the merits of an investment in the Listed Entities or any Series of Macquarie Instalments.

SECTION 7

About the Issuer

Macquarie Bank Limited ("Macquarie") is an authorised deposit taking institution under s9 of the Banking Act 1959 (Commonwealth). As at 31 March 2003 Macquarie had total assets of approximately A\$32.5 billion and equity attributable to ordinary equity holders of Macquarie of approximately A\$2.2 billion on a consolidated basis. For the year ended 31 March 2003 Macquarie reported profit from ordinary activities after income tax attributable to ordinary equity holders of approximately A\$333 million on a consolidated basis.

Macquarie is rated by Standard & Poor's, Fitch/BCA and Moody's Investor Service as follows:

	Short Term	Long Term
Standard & Poor's	A1	A
Fitch/BCA	F1	A+
Moody's Investor Service	P1	A2

Rating Agencies

The rating agencies (Standard & Poor's, Fitch/BCA and Moody's Investor Service) have not consented to the inclusion of their ratings in this PDS. The ratings agencies do not independently verify information provided to them by Macquarie, and therefore, the rating agencies make no representation or warranty with respect to the accuracy of their ratings. The rating agencies have not been involved in the preparation, or authorised the issue of, this PDS.

Investors should note that credit ratings assigned by the rating agencies address only credit risk, which is only one element of any investment decision and should not be construed as relating to the Macquarie Instalments the subject of this PDS. Ratings are not recommendations to buy, hold or sell Macquarie Instalments. By publishing a rating, the rating agencies are not inducing or advising investors to take any action with respect to the Macquarie Instalments or any other security. Ratings and rating reports should not be construed as investment advice, personalised or other.

About the Issuer

continued

Accordingly, each investor should conduct their own evaluation of the Macquarie Instalments or consult with their investment adviser.

Ratings are subject to change or withdrawal at anytime, which change or withdrawal is within each rating agency's sole discretion.

Disclosure Obligations

Macquarie, as a company whose shares are quoted on the stock market of the ASX, is a disclosing entity under the Corporations Act and the ASX Listing Rules and has a continuous disclosure obligation. This means that, subject to certain exceptions, Macquarie must disclose to the ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of Macquarie's ordinary shares. Copies of the information disclosed to the ASX can be viewed on the public file of Macquarie at the ASX.

Documents Available

Macquarie will provide a copy, free of charge, of any of the following documents to any person who requests such copies during the Offer Period in relation to the PDS, by contacting the Equity Markets Group, Macquarie Bank Limited, No. 1 Martin Place, Sydney, NSW Australia, telephone number: 1800 803 010.

- the latest available financial report and annual review of Macquarie; and
- the latest available interim report, including the interim financial report of Macquarie.

Macquarie's latest available Annual Review, Interim Report and Financial Reports are also able to be reviewed online via Macquarie's website at: macquarie.com.au/investorrelations.

No circumstance has arisen or information has become available except as disclosed in this PDS or to ASX that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Macquarie to fulfil its obligations under the Terms of Macquarie since the end of the financial year ended 31 March 2003.

Loan Agreement

To: [Name and address of Applicant(s)]

Macquarie Bank Limited (Macquarie) is pleased to accept your Application for a Loan in respect of the number of Macquarie Instalments identified in your Application or Transfer (as the case may be). Macquarie acknowledges that you have appointed the Security Trustee as your nominee in respect of any of your Shares to which your Application relates. For valuable consideration, upon your entering into the Loan Agreement, Macquarie will issue to you, or register the transfer to you of, one Macquarie Instalment for each Macquarie Instalment identified in your Application or Transfer. The terms and conditions on which the Macquarie Instalments will be issued are set out in the Trust Deed, a summary of which is included in the Product Disclosure Statement issued by Macquarie in respect of the Macquarie Instalments and dated 7 November 2003 (PDS).

Unless the context requires otherwise, definitions in the PDS and the Trust Deed apply. In the case of a joint Application, "you" means each Applicant on a joint and several basis.

1. LOAN

1.1 Loan Amount

Except in the case of Underlying Shares which trade subject to Deferred Settlement, Macquarie will make a Loan available to you:

- a) where you are an Applicant, on the date on which this Agreement is signed by both Macquarie and your attorney on your behalf; or
- b) where you are a Transferee on the date your Transfer is duly executed and processed and you become registered as the Holder of the Macquarie Instalments transferred to you, in either case, the Effective Date.

The amount of the Loan at any time (subject to any adjustment for Break Costs) will be calculated by multiplying the number of Macquarie Instalments for which you have applied or which you are registered as holding, by:

- in respect of the Initial Period, the amount specified for the relevant Series in the Summary Tables of Macquarie Instalments on pages 4 and 5 of the PDS, as adjusted from time to time in accordance with the Terms, and

- for subsequent years, the amount advised by Macquarie on the relevant Annual Reset Date as adjusted from time to time in accordance with the Terms.

If the Underlying Shares trade subject to Deferred Settlement, Macquarie will make the Loan available to you and/or apply the Loan Proceeds only after the Deferred Settlement Period ceases and the relevant Shares are transferred to the Security Trustee. In this case the date on which this occurs shall be deemed to be the Effective Date.

1.2 Drawings

If you are an Applicant you will drawdown under the Loan on the Effective Date an amount equal to the Loan Proceeds.

If you are a Transferee, you will drawdown under the Loan on the Effective Date an amount equal to the interest for the unexpired portion of the current Interest Period, which will be calculated by reference to the Interest Rate on the Effective Date and the number of days remaining during the relevant Interest Period (excluding the relevant Effective Date). You will also draw down the balance of the Loan Amount to discharge, in whole or part, the Loan Amount of the Transferor.

You give notice that you wish to make drawdowns under the Loan on the Effective Date. The first drawdown will be for the full amount of the Loan Proceeds.

1.3 Repayment

If you do not make the Completion Payment on or before the Maturity Date or exercise the Holder's Put Option, Macquarie's only remedy is to enforce the Mortgage described below. You acknowledge that the Maturity Date may alter in the manner referred to in the PDS. Each Completion Payment will be held and applied by Macquarie for the purpose of repaying the Loan.

You may also repay the Loan on any Annual Reset Date by paying the Completion Payment to Macquarie on or before the relevant Annual Reset Date.

To acquire the legal interest in the Underlying Shares free of the Security Interest the Completion Payment must be paid in cleared funds on or before the relevant Annual Reset Date or the Maturity Date, as the case may be.

1.4 Interest and Borrowing Fees

The Loan Amount includes interest and Borrowing Fees and is adjusted for Break Costs, if any. The interest for the First Interest Period is prepayable in advance and will be lent as an element of the Loan. Thereafter, interest will be prepayable for each subsequent Interest Period as set out below and will also form part of the Loan.

If a Macquarie Instalment is sold part way through an Interest Period the following will apply:

- a) Part of the Interest Amount prepaid by the Transferor will be refunded. The interest that is refundable to the Transferor will be calculated on a pro rata basis based on the number of days remaining in the relevant Interest Period and the Interest Rate applying to the Transferor's Loan.
- b) The Interest Amount payable on the Loan to the Transferee will be calculated on a pro rata basis based on the number of days remaining in the relevant Interest Period and the Interest Rate applying to the Transferee's Loan.
- c) A Break Cost (representing the cost to a party of the other breaking the funding arrangements) will also be payable by Macquarie to the Transferor (if the Interest Rate applying to the Transferor's Loan is less than the Interest Rate applying to the Transferee's Loan), or by the Transferor to Macquarie (if the Interest Rate applying to the Transferor's Loan is greater than the Interest Rate applying to the Transferee's Loan). The Transferor and Macquarie irrevocably direct that the amount of any Break Costs payable shall be added to (if payable by the Transferor) or applied against (if payable by Macquarie) the Transferor's Loan. If the Interest Rates applying to each of the Transferor's and the Transferee's Loans are the same no Break Cost will be payable.

Part of the Interest Amount is refundable if the Maturity Date is brought forward due to an Extraordinary Event occurring. If this occurs, the amount of interest that is refundable will be calculated on a pro rata basis based on the prevailing BBSW Rate less an amount representing the cost to Macquarie of breaking its funding in respect of the relevant Macquarie Instalments (or redeploying amounts received early).

Macquarie may, in its absolute discretion, charge a Borrowing Fee on the Loan on an annual basis. The amount of Borrowing Fees charged on the Loan in respect of the First Interest Period will be deducted from the Loan Proceeds to be lent to you in accordance with paragraph 1.5. Borrowing Fees will be payable by you in respect of subsequent Interest Periods in accordance with paragraph 1.6 if you elect on the Annual Reset Date to continue to hold your Macquarie Instalments.

1.5 Direction

You irrevocably authorise and direct Macquarie to apply the Loan Proceeds as follows for each Macquarie Instalment applied for:

- to acquire the Underlying Shares (for Cash Applicants);
- to pay interest as notified by Macquarie;
- to pay any Final Instalment due on any Prior Series Instalment or Instalment Receipts to be transferred to the Security Trustee;
- to pay Borrowing Fees;
- the balance to be paid to you in cash, or by way of reinvestment in additional Macquarie Instalments.

On registration of a Transfer, the Transferor will be entitled to a refund of interest in respect of the prepaid interest borrowed for the unexpired portion of the relevant Interest Period. The amount of interest refundable and repayable will be calculated in accordance with paragraph 1.4.

Holders irrevocably authorise and direct Macquarie on the Effective Date for each Macquarie Instalment transferred as follows:

- any interest refund owed by Macquarie to the Transferor be applied by Macquarie in partial satisfaction of the Transferor's Loan to the extent of the refund due;
- where the Interest Rate applying to the Transferor's Loan is less than the Interest Rate applying to the Transferee's Loan, Macquarie shall pay to the Transferor the Break Cost, which amount shall be applied against part of the Transferor's Loan;

- where the Interest Rate applying to the Transferor's Loan is greater than the Interest Rate applying to the Transferee's Loan, the Transferor shall pay to Macquarie the Break Cost, which amount shall be added to the Transferor's Loan; and
- a portion of the new Loan to the Transferee be paid to Macquarie to prepay the interest payable in advance on the Transferee's Loan for the unexpired portion of the relevant Interest Period;
- the remainder of the Loan to the Transferee be applied in repaying the net amount due by the Transferor to Macquarie on transfer of the Macquarie Instalment.

1.6 Annual Nomination Procedure

Approximately one month prior to each Annual Reset Date, Macquarie will nominate for each Macquarie Instalment of a particular Series either:

- a) a new Loan Amount (Revised Loan Amount) as of the Annual Reset Date, and indicative figures for the new interest component of the Revised Loan Amount (New Interest Amount) and Borrowing Fees for the next Interest Period; or
- b) that that Series will terminate on the Annual Reset Date of that year.

Holders may be required to contact Macquarie to confirm the exact figures for the New Interest Amount and the Borrowing Fees.

Termination

If Macquarie decides to terminate a particular Series, the Loan will become immediately repayable on the next Annual Reset Date.

Rollover Cashback

If the Revised Loan Amount is equal to or greater than the sum of the Current Loan Amount, New Interest Amount and Borrowing Fees for the next Interest Period, the difference (Rollover Cashback) together with the New Interest Amount and Borrowing Fees will be available as an additional advance to you. Unless you elect to and pay the Completion Payment in cleared funds on an Annual Reset Date, you irrevocably authorise the Security Trustee as your nominee, to give notice that you wish to drawdown under the Loan on the Annual Reset Date the Rollover Cashback together with the New Interest Amount and Borrowing Fees, and irrevocably authorise and direct the Security Trustee

to pay to Macquarie the New Interest Amount and the Borrowing Fees. The Current Loan Amount will then be increased to the Revised Loan Amount.

Macquarie will automatically reinvest an amount equal to the Rollover Cashback for that Interest Period in further Macquarie Instalments pursuant to the Instalment Reinvestment Plan unless you have elected by written notice to Macquarie prior to the Annual Reset Date that you wish to receive payment of such amount in cash. Subject to below, if you have elected to receive a cash payment, Macquarie will send you a cheque or procure payment to you of such amount within 10 Business Days of the Annual Reset Date.

No cash payment will be made to you unless you have first signed an additional declaration required by Macquarie for consumer credit purposes prior to the Annual Reset Date. If a valid consumer credit declaration is received prior to the Annual Reset Date, the Current Loan Amount will be immediately repayable on the Annual Reset Date and a new loan will be made to the Holder for the Revised Loan Amount. Holders irrevocably authorise and direct Macquarie on the Annual Reset Date for each such Macquarie Instalment to discharge the Current Loan Amount out of the proceeds of the new Loan.

Rollover Payment

Macquarie will notify you of the Revised Loan Amount; and indicative figures for the New Interest Amount; and the Borrowing Fees payable for the new Interest Period.

If you pay to Macquarie in cleared funds by the Annual Reset Date, the amount by which the sum of the Current Loan Amount, New Interest Amount and Borrowing Fees for the next Interest Period exceeds the Revised Loan Amount (Rollover Payment), your Current Loan Amount per Macquarie Instalment will be adjusted to the Revised Loan Amount.

Holders may be required to contact Macquarie to confirm the exact figures for the Rollover Payment, New Interest Amount and the Borrowing Fees.

Unless you elect to and pay the Completion Payment in cleared funds on an Annual Reset Date, if you do not pay the Rollover Payment as set out above, then, subject to Macquarie's rights of set off, Macquarie may, in its absolute discretion, determine that the Loan is immediately repayable on the Annual Reset Date, either in whole or in part and may enforce the Mortgage.

Loan Agreement

continued

If Macquarie has determined to terminate a Series of Macquarie Instalments, and you have given notice prior to or on an Annual Reset Date to exercise the Holder's Put Option on that Annual Reset Date, the Loan in respect of those Macquarie Instalments subject to the notice and held by you on that Annual Reset Date will become immediately repayable on that Annual Reset Date.

1.7 Limited Recourse

Your liability to Macquarie for repayment of the Loan is limited to the total amount received by Macquarie in relation to the Underlying Shares relating to the Macquarie Instalments to be issued to you (whether by exercising its power of sale or otherwise) excluding dividends paid to you before the Maturity Date. Macquarie will not take any action against you in relation to the Loan to recover any amount beyond enforcing the Mortgage referred to below.

1.8 Tax

If you are required to deduct any tax from any payment (except a tax on Macquarie's overall net income), then:

- a) you must pay that amount to the appropriate authority and promptly give Macquarie evidence of payment;
- b) the amount payable is increased so that (after deducting that tax and paying any taxes on the increased amount) Macquarie receives the same amount it would have received had no deduction been made;
- c) you indemnify Macquarie against the tax and any amounts recoverable from Macquarie in respect of the tax.

2. MORTGAGE

2.1 Mortgage

You acknowledge that the Security Trustee has mortgaged to Macquarie the Mortgaged Property. The Mortgage secures the due and punctual repayment of the Secured Monies and is granted in consideration of Macquarie agreeing to make the Loan available to you. The Security Trustee is bound by a CHESs sponsorship agreement between the Security Trustee and Macquarie which restricts dealing with the Underlying Shares.

The terms of the Mortgage and the rights of the Security Trustee as mortgagor of the Mortgaged Property are set out in the Trust Deed.

2.2 Mortgaged Property

The Mortgaged Property comprises all the Security Trustee's rights in, to, under and derived from the Shares and all Accretions. A Share (and every relevant Accretion) will comprise the Underlying Share in relation to each Macquarie Instalment issued.

2.3 Exercise of Powers

If the Holder does not make the Completion Payment in relation to a Macquarie Instalment, pay a Rollover Payment by the relevant Annual Reset Date in relation to a Macquarie Instalment, or is or becomes bankrupt or in liquidation, Macquarie may enforce the Mortgage and sell the Mortgaged Property, exercise the Security Trustee's rights comprised in the Mortgaged Property and exercise any other power granted by law to mortgagees in accordance with the Terms of the Trust Deed relating to the Underlying Shares and apply the proceeds in repayment of the Loan. To the extent permitted by law the Security Trustee has dispensed with any notice or lapse of time required by any law for the enforcement of the Mortgage or the exercise of any power by Macquarie under this Agreement or the Trust Deed.

3. GENERAL

3.1 Further Assurances

You agree to take all steps, execute all documents and do everything reasonably required by Macquarie to give effect to the transactions contemplated by this Agreement.

3.2 Notices

Any notice given under this Agreement must be in writing addressed to the intended recipient at the address shown above or the address last notified by the intended recipient to the sender. A notice will be taken to be given or made when delivered, received or left at the above address.

3.3 Stamp Duty

Macquarie agrees to pay all stamp duty payable on this Agreement. You agree to promptly provide to Macquarie any information Macquarie reasonably requests to assist in the calculation and payment of any such stamp duty.

3.4 Assignment

Macquarie may novate, assign or sub-participate this Agreement and any or all of its rights under this Agreement at any time. You may not do any of the above (other than in accordance with the Trust Deed) at any time.

3.5 No Waiver

No failure to exercise a power, and no delay in exercising a power operates as a waiver.

3.6 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction is ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

3.7 Governing Law

This Agreement is governed by the law of New South Wales. The parties submit to the exclusive jurisdiction of the Courts of New South Wales.

Executed as an Agreement in Sydney

Yours faithfully

On behalf of Macquarie Bank Limited

I accept the above offer

Signature of Attorney for and on behalf of the Applicant(s)

DECLARATION OF PURPOSES FOR WHICH LOAN (CREDIT) IS TO BE PROVIDED

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

IMPORTANT

You should not sign this declaration unless this Loan is wholly or predominantly for business or investment purposes.

By signing this declaration you may lose your protection under the Consumer Credit Code.

Signature of Attorney for and on behalf of the Applicant(s)

Glossary of Terms

Definitions in the Trust Deed apply in this PDS unless stated, or the context requires, otherwise. In the event of any inconsistency, the definitions in this PDS shall prevail. The following definitions shall apply.

ABN means Australian Business Number.

Acceptance means acceptance by Macquarie of an Application, which acceptance occurs upon the earlier of:

- a) Macquarie and the Applicant (by an attorney on its behalf) entering into the Loan Agreement and Macquarie giving a written instruction to the Registrar to register the issue of Macquarie Instalments to the Applicant upon receipt of a confirmation from the Security Trustee, that the Security Trustee is or has become the registered holder of the Underlying Shares the subject of Macquarie's acceptance and that those Shares have become subject to any Security Interest; and
- b) Macquarie agreeing to procure the delivery to the Security Trustee of the Underlying Shares the subject of Macquarie's acceptance (such agreement being deemed to have occurred upon Macquarie advising the Applicant or their agent of an Application Number whether by mail or otherwise. If Macquarie gives such notice by mail it will be taken to have been given on posting of the advice.).

Accretion means all rights, accretions and entitlements attaching to the Shares after the date of issue of the corresponding Macquarie Instalment including, without limitation, all distributions (other than cash dividends or distributions and reductions or distributions of capital), shares, notes, options or other securities exercisable, declared, paid or issued in respect of the Shares.

Additional Loan Amount means the amount by which the Revised Loan Amount exceeds the Current Loan Amount.

Annual Nomination Procedure means the procedures for determining a Revised Loan Amount as described in the Loan Agreement.

Annual Reset Date means each of 18 November 2004 and 18 November 2005.

Applicant means a person who lodges an Application Form and includes a joint applicant.

Application means an application, whether oral or in writing, to Macquarie for a Loan and Macquarie Instalments on the terms and conditions set out in the Application Form.

Application Form means a form attached to the PDS.

Application Number means a number provided to the Applicant (or their agent) by Macquarie in respect of the Applicant's Application.

ASX means the Australian Stock Exchange Limited (ABN 98 008 624 691) or the stock market conducted by Australian Stock Exchange Limited, as the context requires.

ASX Business Rules means the Business Rules of ASX regulating trading in warrants on the ASX.

ASX Listing Rules means the Listing Rules of ASX.

Assessed Value Payment means a payment made under clause 13.9 of the Trust Deed.

ATO means the Australian Taxation Office.

Beneficial Interest means the beneficial interest of a Holder in a particular Underlying Share.

Borrowing Fees means fees payable to Macquarie from the Loan Proceeds.

BBSW Rate means the bank bill swap rate quoted on the page designated as "BBSW" on the Reuters Monitor System or another page that replaces the BBSW page on that system to display bank bill swap rates.

Broker means Macquarie Equities (Australia) Limited (ABN 58 002 832 126) or such other Macquarie Group company as specified from time to time which is a participating organisation of the ASX.

Business Day means a Trading Day on which banks are open for business in Sydney and Melbourne.

Capital Component means the capital component of the First Payment as specified by Macquarie from time to time.

Cash Application means an Application pursuant to which the Applicant pays the First Payment in cash to Macquarie upon lodgement of the completed Application Form and Cash Applicant has a corresponding meaning.

Change means in respect of the Terms any modification, variation, alteration or deletion of, or addition to, the Terms.

Chess Units of Foreign Securities or CUFS

means any interest, issued by or on behalf of CHES Depositary Nominees Pty Limited, that provides beneficial ownership in respect of:

- a) shares in a corporation incorporated outside Australia; or
- b) units in a public unit trust scheme, being shares or units that are quoted on the market operated by the ASX and any similar interest.

Closing Price means, in relation to a Share, the closing price on each Business Day as published by ASX.

Closing Time means 6.00 pm on the Maturity Date.

Completions Notice means a notice substantially in the form or to the effect of the form in Section 11 of this PDS.

Completion Payment means (in respect of an Instalment) the Current Loan Amount.

Corporations Act means Corporations Act 2001 (Cth).

Current Loan Amount means the amount of the Loan as determined by the Loan Agreement from time to time.

Deferred Settlement has the meaning attributed to it by the ASX Listing Rules.

Deferred Settlement Period means the period during which Deferred Settlement relating to trading in an Underlying Share operates.

Deferred Settlement Trading means trading in an Underlying Share which is affected by Deferred Settlement.

Disposal Event means an event the occurrence of which gives rise to a legal obligation upon the Security Trustee to dispose of Underlying Shares, other than compulsory acquisition pursuant to a takeover scheme or takeover announcement, a disposal or cancellation under a scheme of arrangement, or a disposal or cancellation pursuant to a reduction of capital, Distribution or redemption in respect of Shares of a Listed Entity.

Effective Date has the meaning given in the Loan Agreement.

Encumbrance means an interest or power:

- a) reserved in or over any interest in any asset including, without limitation, any retention of title; or
- b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and whether existing or agreed to be granted or created.

Expiring Instalments means Prior Series Macquarie Instalments held by an Applicant evidencing the Beneficial Interest of the Applicant in an Underlying Share and/or (where the context permits) Instalment Receipts comprising Underlying Shares.

Extraordinary Event means an event described in Clause 12.1 of the Trust Deed.

Final Instalment means the final instalment or completion payment on an Expiring Instalment.

First Interest Amount means an amount stated by Macquarie to be the first interest amount for Applications made on a particular day, and shall constitute interest payable on the Loan Amount for the period from Acceptance until the next Annual Reset Date.

First Interest Period means the period from the Issue Date to the next Annual Reset Date.

First Payment means in respect of an Underlying Share the sum specified by Macquarie on a particular day as the amount of the First Payment payable for a particular Cash Application.

Holder means the person recorded in the Register as the holder of a Macquarie Instalment from time to time.

Holder Identification Number or HIN has the meaning given in the SCH Business Rules.

Holder's Put Option means the option described in the definition of Macquarie Instalment.

Holding Statement means a statement issued pursuant to clause 5 of the Trust Deed.

HPO Exercise Notice means a notice substantially in the form or to the effect of Schedule 2 to the Trust Deed.

Glossary of Terms

continued

HPO Exercise Price means the price at which the Holder's Put Option is exercisable, being the greater of the Completion Payment and the Market Value of the Underlying Shares on the Maturity Date.

HPO Expiry Date means the same day as the Maturity Date.

Indemnified Party means:

- a) the Security Trustee; or
- b) Macquarie; or
- c) any successor, substitute or assign of any of the above.

Initial Period means the period from the commencement of the Offer Period to the next Annual Reset Date.

Instalment Receipt means a security issued by a Listed Entity by which the holder obtains the Beneficial Interest in an ordinary share of that Listed Entity, and may, upon payment of an Instalment, obtain the legal interest in that share.

Instalment Reinvestment Plan means the plan whereby the Additional Loan Amount, if any, to be lent to Holders on an Annual Reset Date is, to the extent that it exceeds the amount necessary to pay the Interest Amount and Borrowing Fees for the following Interest Period, invested in further Macquarie Instalments.

Interest Amount means the amount of interest payable in respect of a Loan on the Effective Date and thereafter on each Annual Reset Date.

Interest Period means initially the period from the Issue Date until (but not including) the next Annual Reset Date, and thereafter from one Annual Reset Date to the earlier of the next Annual Reset Date and the Maturity Date.

Interest Rate means the interest rate applying on the Effective Date, as specified by Macquarie.

Issue Date means the date of issue of a Macquarie Instalment.

Issuer means Macquarie.

Last Final Instalment Payment Date means

- a) in respect of Prior Series Instalments the last date for payment of Final Instalments under the terms of the relevant Expiring Instalment; or
- b) in respect of Instalment Receipts the earlier of:

- i) 5 Business Days before the last day for payment of Final Instalments under the terms of the relevant Expiring Instalment; and
- ii) 5 Business Days before the last day on which the holder of an Expiring Instalment can transfer that Expiring Instalment and so not be liable to pay the Final Instalment.

Listed Entity means an entity listed on the ASX, the Shares of which are the subject of Macquarie Instalments offered by Macquarie under this PDS, or any one or more of those entities.

Liquidated Damages Amount means an amount calculated pursuant to clause 13.10. and/or 14.8 of the Trust Deed.

Loan means each secured loan offered by Macquarie to a successful Applicant or Transferee on the terms and conditions set out in the Application Form and the Loan Agreement.

Loan Agreement means the Loan Agreement to be entered into between Macquarie and each successful Applicant, and between Macquarie and each Transferee, a sample form of which is set out in this PDS.

Loan Amount means the total amount of credit of each Loan as determined by the Loan Agreement from time to time.

Loan Proceeds means the proceeds of a Loan.

Macquarie or **Macquarie Bank** means Macquarie Bank Limited (ABN 46 008 583 542) a company incorporated in the Australian Capital Territory.

Macquarie Equities means Macquarie Equities (Australia) Limited (ABN 58 002 832 126).

Macquarie Group means Macquarie and its related bodies corporate, or any one of them as the case may require.

Macquarie Instalment, or **Instalment** means a warrant (as that term is used in section 8 of the ASX Business Rules or Subregulation 1.0.02(1) of the Corporations Regulations 2001) issued pursuant to the Trust Deed, which entitles the Holder to either repay the Loan and obtain the legal interest in the corresponding Underlying Shares or put its entire right, title and interest in the corresponding Underlying Shares to Macquarie (or as Macquarie may direct) in accordance with clause 14 of the Trust Deed and includes an Instalment issued under this PDS.

Market Value means the market value of an Underlying Share determined pursuant to clause 13.11 of the Trust Deed.

Marketable Parcel means at least one Macquarie Instalment.

Maturity occurs on the Maturity Date and the HPO Expiry Date.

Maturity Date means 20 November 2006 or such earlier date as determined pursuant to clause 12.1 of the Trust Deed.

Minimum Subscription means for a Cash Application \$2000 and for a Shareholder Application the minimum number of Macquarie Instalments specified in the Application Form for each Series.

Mortgaged Property means any property mortgaged by the Security Trustee in favour of Macquarie.

New Borrowing Amount has the meaning given in the Loan Agreement.

Nominee Deed means a Declaration of Trust executed by the Security Trustee in respect of Expiring Instalments and/or Underlying Shares corresponding to Macquarie Instalments issued under this PDS.

Offer Period means the period commencing on 7 November 2003 and ending on the day announced by Macquarie.

Order of Payment means the payment of the proceeds of a sale or disposal of Underlying Shares or of a surplus or other amount received by Macquarie or the Security Trustee following the exercise of powers or duties under the Trust Deed in the following order:

- a) First: All costs, charges, liabilities and expenses of the Security Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Trust Deed in respect of the relevant Underlying Shares, including Taxes and any other amount payable to the Security Trustee from the relevant Separate Trust in accordance with the Trust Deed.

- b) Second: The Secured Monies, to Macquarie.
- c) Third: Any balance, to the Holder (without interest and in full discharge of all liability of the Security Trustee and Macquarie to the Holder).

Prescribed Transfer means a transfer of Macquarie Instalments by means of a duly completed Transfer Form.

Primary Offer Price means the First Payment for Cash Applicants for the relevant Series of Macquarie Instalments as set by Macquarie at the relevant time.

Prior Series Instalments means Instalment warrants issued by Macquarie under any offer document other than this one.

Product Disclosure Statement or PDS means this product disclosure statement.

Proper SCH Transfer means a transfer (as defined in section 1073B of the Corporations Act) which is effected pursuant to, or substantially complies with, the SCH Business Rules.

Reasonable Action means action taken by the Security Trustee which is taken after consultation with Macquarie and which is lawful, practicable, does not create a risk of liability for the Security Trustee and is otherwise reasonable.

Receiver means a receiver or receiver and manager appointed under the Trust Deed.

Recognised Market means any stock market of a securities exchange and an exempt stock market and a futures market of a futures exchange (as those terms are defined in the Corporations Act).

Record Time means the date and time at which entitlements are determined for Holders registered at that time, and for the purposes of the SCH Business Rules has the same meaning as "record date".

Glossary of Terms

continued

Register means the register of Holders of Macquarie Instalments in respect of a particular Listed Entity and includes the relevant CHESS sub-register and issuer sponsored sub-register established under the SCH Business Rules.

Registrar means Computershare Investor Services Pty Ltd (ACN 078 279 277) or any other competent registrar appointed by Macquarie with the consent of the Security Trustee.

Reminder Notice means a notice sent pursuant to clause 13.1 or 14.1 of the Trust Deed.

Revised Loan Amount has the meaning given in the Loan Agreement.

Rollover Application means an Application under which the Applicant holds Prior Series Instalments over ordinary shares in the capital of the relevant Listed Entity for the Series of Macquarie Instalments which is the subject of the Application and directs payment of the Final Instalment on those Prior Series Instalments from the Loan Proceeds and Rollover Applicant has a corresponding meaning.

Rollover Payment has the meaning given in the Loan Agreement.

SCH means the prescribed CS facility prescribed by regulations made under section 761A of the Corporations Act, which operates CHESS – ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532).

SCH Business Rules means the Business Rules of SCH.

Secured Monies means the Loan Proceeds and all fees, costs, charges, liabilities, Tax and expenses incurred by and payable to Macquarie under the Trust Deed directly in relation to the relevant Underlying Shares and the sale thereof, and any amounts due pursuant to Clause 29.1(c) of the Trust Deed.

Security Interest means an equitable mortgage held by Macquarie in respect of an Underlying Share to secure repayment of the Secured Monies.

Security Trustee means the trustee of the Separate Trusts.

Separate Trust means each trust established under the Nominee Deed.

Series means those Macquarie Instalments issued under this PDS relating to Shares which have the same rights.

Share has the same meaning as Security and means (whether or not it is fully or partially paid):

- one share, unit or debenture issued by a Listed Entity;
- one Stapled Security issued by one or more Listed Entities;
- CUFS;
- an ETF Security (as defined in the SCH Business Rules);
- a financial product (as defined in section 761A of the Corporations Act); or
- any other CHESS Approved Security (as defined in the SCH Business Rules), and where the context permits (but not in the definition of Shareholder Application) includes an Instalment Receipt.

Shareholder Application means an application under which the Applicant transfers Shares being ordinary shares in the capital of the relevant Listed Entity for the Series of Macquarie Instalments which are the subject of the Application and Shareholder Applicant has a corresponding meaning.

Special Dividend means a special or abnormal dividend and includes those dividends which are described by the relevant Listed Entity as:

- special, abnormal, extraordinary or extra;
- part of a scheme of arrangement or takeover consideration; or
- part of a special distribution involving a return of capital, or

are otherwise characterised by the ASX as a special dividend.

Stapled Security means any combination of two or more Shares stapled together, such that those Shares cannot be dealt with separately.

Summary Table of Macquarie Instalments

means the Summary Tables of Macquarie Instalments being the tables on pages 4 and 5 of this PDS.

Tax Act means the Income Tax Assessment Act 1997, and the operative provisions of the Income Tax Assessment Act 1936, both as amended from time to time, and any successor legislation.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government or Government agency, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on this Deed, on the transfer of Shares to Macquarie.

Terms means the terms of the Trust Deed, a summary of which is contained in Section 5 of this PDS.

TFN means Tax File Number.

Trading Day has the meaning given in the ASX Business Rules but excluding days which the ASX for the purposes of settlement declares to be a trading day notwithstanding that there is to be no official meeting on that day or that dealings between brokers are suspended on that day.

Transfer means the transfer of a Macquarie Instalment pursuant to clause 7 of the Trust Deed.

Transfer Form means the form in Schedule 3 of the Trust Deed or any other form or transfer approved by Macquarie and the ASX and provided that any such instrument has been duly executed by the transferor and the transferee.

Transferee means a person to whom there is a Transfer of a Macquarie Instalment as transferee.

Transferor means a person who Transfers a Macquarie Instalment as transferor.

Trust Deed means the Trust Deed for Macquarie Instalments made between Macquarie and Belike Nominees Pty Limited dated on or about 28 February 2001 as amended from time to time.

Trust Tax Change means a change to the Tax Act whereby trustees are taxed in a manner similar to companies or trust distributions are taxed in a manner similar to corporate distributions or any other change which has a material financial impact over the issue, holding, cancellation or expiry of Instalments.

Underlying Share has the same meaning as Underlying Parcel and means one Share or, where the context permits, one Instalment Receipt until payment of the Final Instalment and thereafter means one Share in respect of the relevant Listed Entity and all Accretions in respect of that Share, disregarding fractions of Shares remaining in the aggregate of Shares and Accretions in Underlying Shares for Macquarie Instalments or Prior Series Macquarie Instalments held by a particular Holder encumbered only by a Security Interest, as varied, if at all, pursuant to the Trust Deed.

Warrant has the meaning given in Section 8 of the ASX Business Rules or subregulation 1.0.02(1) of the Corporations Regulations 2001.

Weighted Average Sale Price means an amount calculated in accordance with clause 13.12 of the Trust Deed.

How to Apply

To apply for Macquarie Instalments you must complete the relevant Application Form in this PDS and send it via your licensed financial adviser, stockbroker or directly to Macquarie.

You will need to quote the ASX Instalment Code for the Macquarie Instalment you wish to buy. You should refer to the tables on pages 4 and 5 of this PDS for a complete list of codes. For example, a Commonwealth Bank IMF regular Instalment would be listed as CBAIMF on the ASX where "I" = Instalment; "M" = Macquarie and "F" = Instalment Series.

Remember, before you invest in Macquarie Instalments it is important that you have read and understood the terms set out in this PDS. You should also read the ASX booklet 'Understanding Trading and Investment Warrants' which is available from the ASX or Macquarie. You may want to consult your stockbroker or financial adviser for advice as to the suitability of investing in Macquarie Instalments based on your personal circumstances. A paper copy of this PDS will be provided to Applicants free of charge during the Offer Period on request by contacting Macquarie.

Applications can only be made by an individual, trustee, superannuation fund or company that are Australian domiciled. Individuals must be at least 18 years of age to apply for Macquarie Instalments.

☒ Step 1: Select the Application Form that is Right for You

New Investments - Cash Applications

If you are making a new investment for Macquarie Instalments and wish to pay by cheque, direct debit or BPAY® you should read the Instructions for Completing the Cash Application Form on page 68 and complete the Cash Application Form (White) in this PDS.

Converting Your Existing Shares To Instalments – Shareholder Applications

If you own Shares that have performed well, you may be faced with a common dilemma. Selling your Shares now would mean giving up any future Share price gain or dividend exposure and, it may also result in triggering a capital gains tax liability.

Individual investors (other than Self Managed Super Funds) can convert an existing holding of Shares to Macquarie Instalments to maintain Share exposure and release cash for other investments without triggering a capital gains tax liability. The cash received back can be used to diversify your portfolio into other shares or Macquarie Instalments or used for other investment purpose.

To convert your existing Holding of Shares to Macquarie Instalments and receive the cashback, you need to read the Instructions for Completing the Shareholder Application Form on page 70 and complete the Shareholder Application Form (Blue) in this PDS. You should also refer to Section 1 for more details on Shareholder Applications.

Rolling an Existing Series of Macquarie Instalments – Rollover Applications

If you already own Macquarie Instalments you may wish to roll them into new Macquarie Instalments (IMF or IMG Series). You can do this without the costs and capital gains issues of selling and re-buying Macquarie Instalments on the ASX. You should read the Instructions for Completing the Rollover Application Form on page 72 and complete the Rollover Application Form (Green) in this PDS.

If you roll your existing Macquarie Instalments into new Macquarie Instalments you will retain exposure to the Underlying Shares, obtain a new Loan Amount and depending on which Series you held, potentially receive cashback to use for other investment purposes. If you would like an indicative rollover cashback amount, please contact the Macquarie Warrants and Structured Products team on 1800 803 010.

Remember you can only roll your existing Series of Macquarie Instalments into new Macquarie Instalments if the Underlying Shares are the same

as your existing Instalments.

☒ **Step 2: Determine Your First Payment Amount – Cash and Shareholder Applications Only**

As outlined in Section 1 'Investment Overview', the First Payment will vary depending upon a number of factors including the price of the Underlying Shares and the day on which you apply.

There are two ways to make your first payment:

- i) Contact your stockbroker or financial adviser to 'lock in' your First Payment

To 'lock in' your First Payment, ask your financial adviser to contact Macquarie on 1800 803 010. Macquarie will inform your adviser of the First Payment amount per Macquarie Instalment and provide them with details of your total First Payment amount. Once 'locked in', you are contractually bound to make this First Payment.

For Shareholder Applications, Macquarie will quote a cashback amount for each Macquarie Instalment. Once the cashback amount is 'locked in' you are contractually bound to complete your obligations (refer to Section 2.3 of the Terms of the Issue).

Macquarie will also provide your adviser with an Application Number which should be written in the

"Adviser & Office Use Only" section on your Application Form.

- ii) Apply directly to Macquarie if you do not have a stockbroker or financial adviser

If you do not have a stockbroker or financial adviser, or you simply wish to apply for a certain dollar amount of Macquarie Instalments, complete the relevant Application Form and send it together with your payment to Macquarie. Macquarie will not 'lock in' the actual First Payment amount until they have received your completed Application Form and your application monies have been cleared. The number of Macquarie Instalments you receive will depend on the actual First Payment amount that is 'locked in' by Macquarie at this time.

☒ **Step 3: Complete Your Application Form**

You can apply for both IMF and IMG Instalments on each relevant Application Form. The IMF regular and IMG hot Instalments available, are listed in each Application Form in two separate tables.

You should complete your Application Form in accordance with the instructions associated with the relevant Application Form and in accordance with the table below.

You must ensure that your TFN or ABN is completed on your Application Form in the relevant section as Macquarie may not accept your

If you are investing as ...	... your application must be in the name of	for example like this ...	... and your account description (if required) could be ...
An individual	The full given name of the individual	Mrs Yvette Catherine Brown	None required
Joint applicants	The full given names of the individuals	Mrs Yvette Catherine Brown + Mr Jack Michael Brown	None required
A company	The company	Jack Brown Pty Ltd	None required
A trust	The trustees, rather than the name of the trust	Mrs Yvette Catherine Brown + Mr Jack Michael Brown	Brown Family Trust
A superannuation fund	The trustee(s) of the superannuation fund ¹	Mrs Yvette Catherine Brown + Mr Jack Michael Brown	Brown Super Fund A/C
A partnership	The full given names of the partners	Mr Jack Michael Brown + Mr James David Smith	Brown + Smith Partnership A/C

¹Applications in the name of a trust rather than the trustee will not be accepted

How to Apply

continued

Application Form without your TFN or ABN unless an exemption is notified.

☒ Step 4: Send in Your Completed Application Form

You can lodge your Application Form through your stockbroker, financial adviser, or directly with Macquarie.

Application Forms should be sent to:

Equity Markets Support – Instalment Warrants
Macquarie Bank Limited
GPO Box 3423
Sydney NSW 2001

Application Forms may be faxed to Macquarie on (02) 8232 7279 and Macquarie will act on your

instructions received by fax. Macquarie does however require that you send in your original Application Form for our records.

☒ Step 5: After Your Application Form Has Been Received and Processed

You will receive notification from our registry (Computershare Investor Services Pty Limited) within two weeks of your Application Form being received and processed. This will outline your Issuer Sponsored Number or Holder Identification Number and all related purchase details (eg. the number of Instalments purchased).

Note: Macquarie reserves the right in its absolute discretion to close the Offer Period early or extend the Offer Period without prior notice. Macquarie also reserves the right not to accept any Application.

Application Form Summary To Apply for Regular and Hot Instalments

	Form	Colour	Instructions
New Investments	Cash Application	White	Page 68
Converting Existing Shares to Instalments	Shareholder Application	Blue	Page 70
Rolling an Existing Series of Macquarie Instalments	Rollover Application	Green	Page 72

Please note: IMF regular and IMG hot instalments are listed in two separate tables in each Application Form with all corresponding ASX Instalment codes.

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Instructions For Completing The Cash Application Form

**FOR NEW
INVESTORS**

Please complete all the relevant sections of the Application Form in accordance with the following instructions. These instructions are cross referenced to each section of the Application Form.

A REGISTRATION DETAILS

- Complete all the personal and contact details where indicated. Make sure you write the full name that you wish to appear on your Holding Statement including any title(s). Where there is more than one Applicant, write the full details of each Applicant in the space provided.
- If you are applying as a company officer, write the company name and the Australian Company Number (ACN), Australian Business Number (ABN) or Australian Registered Business Number (ARBN) if applicable.
- You must specify a residential address and a mailing address if different from the residential address. The mailing address details will be used for all correspondence (you should particularly take note of this if you are opening a joint account).
- Write the Tax File Number (TFN) of each Applicant or reason for exemption in the space provided. Alternatively, each Applicant can quote their ABN, where applicable.

IMPORTANT NOTICE: Collection of TFNs or ABNs is authorised by taxation laws. Quotation of TFNs or ABNs is not compulsory however failure to provide a TFN or ABN may result in Macquarie not accepting your Application unless an exemption is notified. If applying as a company officer, only write the company's TFN or ABN, not your personal TFN or ABN.

B CHESS DETAILS

- If you are already a CHESS participant, or sponsored by a CHESS participant, write your HIN. If not, leave this blank and any Macquarie Instalments issued to you will be Issuer Sponsored and allocated an SRN (Shareholder Reference Number).

C METHOD OF PAYMENT

- Indicate your method of payment. If you are paying by BPAY® the reference number you should use is the Application Number (where known) without the letters. All cheques should be made payable to "Macquarie Bank Limited – Instalment Warrants" and must be drawn on an Australian bank in Australian currency. If you are applying for both IMF and IMG Series Instalments, you only need to send one cheque for the Total Amount Payable. Payment will only be accepted from the Applicant and not from any other third party.

D DIRECT DEBIT AND CREDIT AUTHORITY

- Complete this section to authorise us to debit and/or credit your bank account for payments and receipts in connection with Instalments issued by Macquarie Bank Limited. You will need to provide details of the bank account as indicated below.

E BANK ACCOUNT DETAILS

- Enter your bank account details here if you wish to have payments debited from and/or distributions directly

credited to your bank account in connection with Instalments issued by Macquarie. The bank account should be in the same name as the Applicant. This instruction is only applicable for accounts held with banks, building societies and credit unions within Australia.

F APPLICATION DETAILS

There are two separate tables F1 – IMF regular Instalments and F2 – IMG hot Instalments. If your Application Form relates to either or both Series, the relevant table must be completed as follows:

- Column ❶ – write the number of Macquarie Instalments you are applying for in each Series.
- Column ❷ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' the First Payment amount for each Macquarie Instalment, write that amount here.
- Column ❸ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' the First Payment per Macquarie Instalment, the Total Amount Payable is determined by multiplying the Number of Macquarie Instalments by the First Payment per Macquarie Instalment.
- If you are applying for a dollar value of Macquarie Instalments, write the dollar amount you wish to invest as the Total Amount Payable (minimum \$2,000 per Macquarie Instalments Series) in column ❹.
- If your stockbroker or financial adviser has contacted Macquarie Bank to 'lock in' the First Payment for each Macquarie Instalment, write the Application Number provided by Macquarie at the top of the Application Form.
- Add the Total Amount Payable for each Series of Macquarie Instalments you are applying for and write this number in the "Total" box provided. This amount should correspond to the amount of your cheque or the amount you have paid by direct debit or BPAY®.

G INVESTOR DECLARATION AND POWER OF ATTORNEY

- The Investor Declaration must be read and understood by each Applicant. Should you have any queries, you are advised to seek independent professional advice.
- The Power of Attorney must be signed by each Applicant. Individual Applicants must sign personally. All joint Applicants must sign (and will be bound jointly and severally). The Power of Attorney granted by a company should be signed either by two directors of the company, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary by that director. Alternatively, a company may sign under the company's common seal provided the fixing of the seal is witnessed by two company officers (or in the case of a sole director – by that director). The Power of Attorney granted by superannuation funds, trusts, partnerships and deceased estates is to be signed by the individual trustees, executors or principals. The name of the witnesses to the seal or the attorney must be printed. If the Power of Attorney is granted under power of attorney, a certified copy of the power of attorney should be provided to Macquarie.

C	METHOD OF PAYMENT

Receipt No: _____

D DIRECT DEBIT AND CREDIT AUTHORITY

You must complete your Bank Account details below.

E BANK ACCOUNT DETAILS

Office use only

F APPLICATION DETAILS	
1	Application Name
2	Application Version
3	Application Type
4	Application Category
5	Application Sub-category
6	Application Description
7	Application Features
8	Application Requirements
9	Application Dependencies
10	Application Configuration
11	Application Deployment
12	Application Maintenance
13	Application Support
14	Application Security
15	Application Performance
16	Application Scalability
17	Application Reliability
18	Application Availability
19	Application Usability
20	Application Accessibility
21	Application Interoperability
22	Application Integration
23	Application Migration
24	Application Upgrade
25	Application Patching
26	Application Backup
27	Application Recovery
28	Application Monitoring
29	Application Logging
30	Application Auditing
31	Application Testing
32	Application Deployment
33	Application Maintenance
34	Application Support
35	Application Security
36	Application Performance
37	Application Scalability
38	Application Reliability
39	Application Availability
40	Application Usability
41	Application Accessibility
42	Application Interoperability
43	Application Integration
44	Application Migration
45	Application Upgrade
46	Application Patching
47	Application Backup
48	Application Recovery
49	Application Monitoring
50	Application Logging
51	Application Auditing
52	Application Testing
53	Application Deployment
54	Application Maintenance
55	Application Support
56	Application Security
57	Application Performance
58	Application Scalability
59	Application Reliability
60	Application Availability
61	Application Usability
62	Application Accessibility
63	Application Interoperability
64	Application Integration
65	Application Migration
66	Application Upgrade
67	Application Patching
68	Application Backup
69	Application Recovery
70	Application Monitoring
71	Application Logging
72	Application Auditing
73	Application Testing
74	Application Deployment
75	Application Maintenance
76	Application Support
77	Application Security
78	Application Performance
79	Application Scalability
80	Application Reliability
81	Application Availability
82	Application Usability
83	Application Accessibility
84	Application Interoperability
85	Application Integration
86	Application Migration
87	Application Upgrade
88	Application Patching
89	Application Backup
90	Application Recovery
91	Application Monitoring
92	Application Logging
93	Application Auditing
94	Application Testing
95	Application Deployment
96	Application Maintenance
97	Application Support
98	Application Security
99	Application Performance
100	Application Scalability

1 IMF REGULAR INSTALMENTS

Cont. >>

1 IMF REGULAR INSTALMENTS Cont.

ASX Instalment Code	Number of Macquarie Instalments ①	First Payment Amount ②	Total Amount Payable (\$2,000 minimum per Series) ③
eg. XYZIMF	10,000	\$2,573	\$25,730.00
MAPIMF		\$	\$
MCGIMF		\$	\$
MIGIMF		\$	\$
MAYIMF		\$	\$
NABIMF		\$	\$
NCPIMF		\$	\$
ORGIMF		\$	\$
PPXIMF		\$	\$
PRKIMF		\$	\$
PMNIMF		\$	\$
QANIMF		\$	\$
RIOIMF		\$	\$
STOIMF		\$	\$
SEVIMF		\$	\$
SFYIMF		\$	\$
STWIMF		\$	\$
SUNIMF		\$	\$
TLSIMF		\$	\$
TOLIMF		\$	\$
WBCIMF		\$	\$
WESIMF		\$	\$
WOWIMF		\$	\$
WSFIMF		\$	\$
F1 TOTAL			\$

F APPLICATION DETAILS
2 IMG HOT INSTALMENTS

ASX Instalment Code	Number of Macquarie Instalments ①	First Payment Amount ②	Total Amount Payable (\$2,000 minimum per Series) ③
eg. XYZIMG	10,000	\$2,573	\$25,730.00
AGLIMG		\$	\$
AWCIMG		\$	\$
AMPIMG		\$	\$
ANZIMG		\$	\$
BHPIMG		\$	\$
BSLIMG		\$	\$
BILIMG		\$	\$
CBAIMG		\$	\$
CMLIMG		\$	\$
CSLIMG		\$	\$
FGLIMG		\$	\$
FXJIMG		\$	\$
LLCIMG		\$	\$
MAPIMG		\$	\$
MIGIMG		\$	\$
NABIMG		\$	\$
NCPIMG		\$	\$
NCMIMG		\$	\$
NEMIMG		\$	\$
PMNIMG		\$	\$
PBLIMG		\$	\$
QANIMG		\$	\$
QBEIMG		\$	\$
RIOIMG		\$	\$
STOIMG		\$	\$
SRPIMG		\$	\$
SFYIMG		\$	\$
STWIMG		\$	\$
SGBIMG		\$	\$
SUNIMG		\$	\$
TAHIMG		\$	\$
TLSIMG		\$	\$
WBCIMG		\$	\$
WVRIMG		\$	\$
WPLIMG		\$	\$
WOWIMG		\$	\$
WSFIMG		\$	\$
F2 TOTAL			\$
F1 + F2 TOTAL			\$

G INVESTOR DECLARATION

By lodging the Application Form and payment I/we whose full name(s) and address appear on this Application Form hereby acknowledge and confirm my/our Application for the number of Macquarie Instalments on this Application Form to be issued in accordance with the terms of the PDS dated 7 November 2003 issued by Macquarie Bank Limited. I/We acknowledge that in making our Application:

- (a) I/We have irrevocably appointed Belike Nominees Pty Limited or its nominee as my/our nominee on the terms of the Nominee Deed in respect of any Shares (and subsequent Accretions, if any) to which my/our Application relates (My Securities) for valuable consideration and to facilitate the granting of the Loan and Security Interest.
- (b) I/We have directed Macquarie Bank Limited and Macquarie Equities (Australia) Limited to do anything necessary to effect the transfer to the Security Trustee of any of My Securities.
- (c) I/We have read and understood the PDS to which this Application Form is attached including the Summary of the Trust Deed, and have agreed to accept the Macquarie Instalments on the conditions set out in the PDS.
- (d) I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
- (e) I/We acknowledge that any "rounding" amount after applying my funds to the purchase of Instalments pursuant to this Application (which amount will always be less than the value of one Instalment), may be retained by Macquarie and donated to a charity of their choice.
- (f) I/We declare that before completing this Application Form, I/We have received and was/were given access to a complete and unaltered PDS together with this PDS.

POWER OF ATTORNEY

1. For valuable consideration I/we irrevocably appoint each director and secretary of Macquarie or any employee of Macquarie whose title includes the words "director" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
 - complete any blanks in the Loan Agreement;
 - execute the Loan Agreement substantially in the form set out in the PDS (including the Consumer Credit Code declaration) manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
 - do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Macquarie relating to the Loan or any subsequent loan; and
 - do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above).
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Macquarie Instalments.

Authorisation of Applicant or Company Officer

X		/	/
Name			
▶ If a company officer, you must specify your corporate title			
Director	☐	Secretary	☐
Other			

Authorisation of Joint Applicant or Company Officer

X		/	/
Name			
▶ If a company officer, you must specify your corporate title			
Director	☐	Secretary	☐
Other			

Send this completed form to:

Equity Markets Support – Instalment Warrants
Macquarie Bank Limited
GPO Box 3423
Sydney NSW 2001

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Instructions For Completing The Shareholder Application Form

**FOR EXISTING
SHAREHOLDERS**

Please complete all the relevant sections of the Application Form in accordance with the following instructions. These instructions are cross referenced to each section of the Application Form.

A REGISTRATION DETAILS

- Please include a copy of your latest Holding Statement with your Application Form.

Complete all the personal and contact details where indicated. Make sure you write the full name that you wish to appear on your Holding Statement including any title(s). Where there is more than one Applicant, write the full details of each Applicant in the space provided.

- If you are applying as a company officer, write the company name and the Australian Company Number (ACN), Australian Business Number (ABN) or Australian Registered Business Number (ARBN) if applicable.
- You must specify a residential address and a mailing address if different from the residential address. The mailing address details will be used for all correspondence (you should particularly take note of this if you are opening a joint account).
- Write the Tax File Number (TFN) of each Applicant or reason for exemption in the space provided. Alternatively, each Applicant can quote their ABN, where applicable.

IMPORTANT NOTICE: Collection of TFNs or ABNs is authorised by taxation laws. Quotation of TFNs or ABNs is not compulsory however failure to provide a TFN or ABN may result in Macquarie not accepting your Application unless an exemption is notified. If applying as a company officer, only write the company's TFN or ABN, not your personal TFN or ABN.

B CHESS DETAILS

- If you are already a CHESS participant, or sponsored by a CHESS participant, write your HIN. If not, leave this blank and any Macquarie Instalments issued to you will be Issuer Sponsored and allocated an SRN (Shareholder Reference Number).

C DIRECT DEBIT AND CREDIT AUTHORITY

- Complete this section to authorise us to debit and/or credit your bank account for payments and receipts in connection with Instalments issued by Macquarie Bank Limited. You will need to provide details of the bank account as indicated below.

D BANK ACCOUNT DETAILS

- Enter your bank account details here if you wish to have payments debited from and/or distributions directly credited to your bank account in connection with Instalments issued by Macquarie. The bank account should be in the same name as the Applicant. This instruction is only applicable for accounts held with banks, building societies and credit unions within Australia.

E REINVESTMENT OF CASHBACK AMOUNT

- You can apply to reinvest any cashback amount due to you as a result of your Shareholder Application to the purchase of other Macquarie Instalments by marking "Yes" in this section, subject to the normal \$2,000 minimum per Macquarie Instalments Series for Cash Applications. Your cashback amount will be reinvested at the price prevailing on the day your Application is accepted. If you wish to reinvest any cashback amount you will also need to complete the Cash Application Form and attach it to the Shareholder Application Form.

F APPLICATION DETAILS

There are two separate tables. F1 – IMF regular Instalments and F2 – IMG hot Instalments. If your Application Form relates to either or both Series, the relevant table must be completed as follows:

- Column ❶ – write the number of Macquarie Instalments you are applying for in each Series.
- Column ❷ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' your cashback amount per Macquarie Instalment and was provided with an Application Number, write that amount here.
- Column ❸ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' the cashback amount per Macquarie Instalment, the Total Cashback Amount is determined by multiplying the Number of Macquarie Instalments by the Cashback Amount per Macquarie Instalment.
- Column ❹ – If the Shares you are applying with are Broker sponsored, write their HIN (Holder Identification Number) and the broker's PID (Participant Identification Number). If the Shares are Issuer Sponsored, write their SRN (Shareholder Reference Number). These details can be found on any Holding Statement.
- Add up the Total Cashback Amount for each Series of Macquarie Instalments you are applying for and write this number in the box provided.

G INVESTOR DECLARATION 1 AND 2

- The Shareholder Application Form must be signed in two places by each Applicant: Investor Declaration 1 and Investor Declaration 2. Individual Applicants must sign personally. All joint Applicants must sign (and will be bound jointly and severally). The Power of Attorney granted by a company should be signed either by two directors of the company or a director and company secretary of the company. For a proprietary company that has a sole director who is also the sole company secretary, the form should be signed by that director. Alternatively, a company may sign under the company's common seal provided the fixing of the seal is witnessed by two company officers (or in the case of a sole director – by that director). The Power of Attorney granted by superannuation funds, trusts, partnerships and deceased estates is to be signed by the individual trustees, executors or principals. The name of the witnesses to the seal or the attorney must be printed. If the Power of Attorney is granted under power of attorney, a certified copy of the power of attorney should be provided to Macquarie.

C DIRECT DEBIT AND CREDIT AUTHORITY

Tick one box only: Direct Debit and Credit ☐ Direct Credit Only ☐

I/We understand and acknowledge that in providing the direct debit and credit instructions to Macquarie Bank that:

- Where direct debit is applicable, I/We authorise Macquarie Bank to make a debit from my/our nominated account for transactions in relation to warrants and structured products issued by Macquarie Bank. I/We understand that it is my/our responsibility to ensure that there are sufficient cleared funds in my/our nominated account to honour any direct debit instruction. I/We understand that the instruction will be automatically cancelled if the payment is dishonoured because of insufficient funds. Macquarie Bank will charge the cost of dishonoured direct debits against my/our account.
- I/We authorise and direct the crediting to my/our nominated account all amounts payable to me/us under the Macquarie Instalments.
- I/We acknowledge and agree that until the instructions are modified or deferred by me/us in accordance with these terms, Macquarie Bank may act on the instructions to discharge its obligations under the Terms.
- My/our nominated financial institution may in its absolute discretion decide the order of priority of payment by it of any moneys pursuant to the request made pursuant to the direct debit instruction or any other authority or mandate.
- I/We can modify or defer our direct debit and credit instructions at any time by giving Macquarie Bank 14 days notice in writing.
- If at any time I/we feel that a direct debit against or credit to my/our nominated account is inappropriate or wrong it is my/our responsibility to notify Macquarie Bank as soon as possible.
- Direct debiting and crediting through the Bulk Electronic Clearing System ("BECS") is not available on all accounts. I/We can check my/our account details against a regular statement or check with the financial institution as to whether I/We can request a direct debit from my/our account.
- Macquarie Bank will give me/us 14 days notice in writing if they intend to cancel my instructions.
- Macquarie Bank may need to pass on details of my/our direct debit instructions to their sponsor bank in BECS to assist with the checking of any incorrect or wrongful debits to my/our nominated account.

You must complete your Bank Account details below.

D BANK ACCOUNT DETAILS

For the purposes of the Instructions given in the Direct Debit and Credit Authority section, you should specify your bank account details here. The bank account should be in the same name as the Investor. **Investors should read the instructions associated with this Application Form.**

Name of bank or financial institution

[illegible]

Account name

[illegible]

Branch address

[illegible]

Branch number (BSB)

--	--	--	--	--	--

Account number

[illegible]

Office use only

Office use only

E	REINVESTMENT OF CASHBACK AMOUNT
---	---------------------------------

I/We agree to reinvest any cashback amount due to me/us in applying for additional Macquarie Instalments:

Yes ☐ No ☐

(NB: If you elect "Yes" you must follow the instructions for Cash Applications from the relevant Macquarie Instalments PDS and attach such Cash Application Form to this Application)

The Cash Application Number to which any cashback amount is to be applied is:

--	--	--	--	--	--	--	--	--

(This is the number quoted to your stockbroker or financial adviser by Macquarie).

F APPLICATION DETAILS

IMF REGULAR INSTALMENTS

ASX Instalment Code	Minimum Number of Shares	Number of Macquarie Instalments ①	Cashback Amount per Macquarie Instalment ②	Total Cashback Amount ③	HIN + PID or SRN Only ④
<i>eg. XYZIMF</i>	<i>10,000</i>	<i>10,000</i>	<i>\$2,573</i>	<i>\$25,730.00</i>	<i>10012345678</i>
AGLIMF	750		\$	\$	
ALLIMF	4,000		\$	\$	
AMCIMF	1,000		\$	\$	
AMPIMF	1,250		\$	\$	
ANZIMF	500		\$	\$	
BHPIMF	750		\$	\$	
BSLIMF	1,500		\$	\$	
BBGIMF	1,000		\$	\$	
BILIMF	1,500		\$	\$	
CBAIMF	250		\$	\$	
COHIMF	250		\$	\$	
CMLIMF	1,000		\$	\$	
CSLIMF	500		\$	\$	
FOAIMF	500		\$	\$	
FGLIMF	1,500		\$	\$	
FXJIMF	2,250		\$	\$	
HVNIMF	2,750		\$	\$	
IAGIMF	2,000		\$	\$	
LLCIMF	750		\$	\$	
MAPIMF	4,250		\$	\$	
MCGIMF	2,500		\$	\$	
MIGIMF	2,250		\$	\$	

Cont. >>

1 IMF REGULAR INSTALMENTS Cont.

ASX Instalment Code	Minimum Number of Shares	Number of Macquarie Instalments ①	Cashback Amount per Macquarie Instalment ②	Total Cashback Amount ③	HIN + PID or SRN Only ④
eg. XYZIMF	10,000	10,000	\$2,573	\$25,730.00	10012345678
MAYIMF	2,500		\$	\$	
NABIMF	250		\$	\$	
NCPIMF	500		\$	\$	
ORGIMF	2,000		\$	\$	
PPXIMF	1,500		\$	\$	
PRKIMF	500		\$	\$	
PMNIMF	5,000		\$	\$	
QANIMF	2,250		\$	\$	
RIOIMF	250		\$	\$	
STOIMF	1,250		\$	\$	
SEVIMF	1,500		\$	\$	
SFYIMF	250		\$	\$	
STWIMF	250		\$	\$	
SUNIMF	500		\$	\$	
TLSIMF	1,500		\$	\$	
TOLIMF	1,000		\$	\$	
WBCIMF	500		\$	\$	
WESIMF	250		\$	\$	
WOWIMF	750		\$	\$	
WSFIMF	500		\$	\$	
F1 TOTAL				\$	

F APPLICATION DETAILS

2 IMG HOT INSTALMENTS

ASX Instalment Code	Minimum Number of Shares	Number of Macquarie instalments ①	Cashback Amount per Macquarie instalment ②	Total Cashback Amount ③	HIN + PID or SRN Only ④
eg. XYZIMG	10,000	10,000	\$2,573	\$25,730.00	10012345678
AGLIMG	500		\$	\$	
AWCIMG	1,000		\$	\$	
AMPIMG	750		\$	\$	
ANZIMG	250		\$	\$	
BHPIMG	500		\$	\$	
BSLIMG	1,000		\$	\$	
BILIMG	1,250		\$	\$	
CBAIMG	250		\$	\$	
CMLIMG	750		\$	\$	
CSLIMG	250		\$	\$	
FGLIMG	1,250		\$	\$	
FXJIMG	1,500		\$	\$	
LLCIMG	500		\$	\$	
MAPIMG	2,750		\$	\$	
MIGIMG	1,500		\$	\$	
NABIMG	250		\$	\$	
NCPIMG	500		\$	\$	
NCMIMG	500		\$	\$	
NEMIMG	1,000		\$	\$	
PMNIMG	2,000		\$	\$	
PBLIMG	500		\$	\$	
QANIMG	1,500		\$	\$	
QBEIMG	500		\$	\$	
RIOIMG	250		\$	\$	
STOIMG	1,000		\$	\$	
SRPIMG	1,750		\$	\$	
SFYIMG	250		\$	\$	
STWIMG	250		\$	\$	
SGBIMG	250		\$	\$	
SUNIMG	500		\$	\$	
TAHIMG	500		\$	\$	
TLSIMG	1,000		\$	\$	
WBCIMG	500		\$	\$	
WMRIMG	1,000		\$	\$	
WPLIMG	500		\$	\$	
WOWIMG	500		\$	\$	
WSFIMG	500		\$	\$	
TOTAL				\$	
F1 + F2 TOTAL				\$	

H INVESTOR DECLARATION 1

For valuable consideration and to facilitate the granting of the Loan and Security Interest, I/we: irrevocably appoint Belike Nominees Pty Limited or its nominee as my/our nominee on the terms of the Nominee Deed in respect of any of my Shares (and subsequent Accretions, if any) to which this Application relates (My Securities); authorise and direct the Security Trustee to do all things (including completing any documents) necessary for it or its nominee to become the registered holder of My Securities; and do anything incidental or necessary to complete any of the above.

For valuable consideration I/We irrevocably appoint each director and secretary of Macquarie or any employee of Macquarie whose title includes the words "director" or "manager" severally as my/our attorney to: complete any blanks in the Loan Agreement; execute the Loan Agreement substantially in the form set out in Section 8 of the PDS (including the Consumer Credit Code declaration) manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form; do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Macquarie relating to the Loan; and do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in this Application Form and appointing any person as sub-attorney to do any of the above).

I/We direct Macquarie Bank Limited and Macquarie Equities (Australia) Limited to do anything necessary to effect the transfer to the Security Trustee of any of my/our Securities.

I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).

I/We represent and warrant that: I am/we are the sole legal and beneficial* owner(s) of my/our Securities; my/our Securities are free from any Encumbrances and I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

*Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust.

I/We instruct my Sponsoring Broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver the quantity of Shares in the companies as indicated below, to Macquarie Bank Limited or to Macquarie Equities (Australia) Limited, PID 1572 as an "Off-Market" transaction, quoting the reference number shown at the top of the previous page in the supplementary message field.

I/We acknowledge that if I/we elect to reinvest any cashback amount in applying for additional Macquarie Instalments, any residual amounts, which will be less than the value of one Macquarie Instalment, will be donated to a charity of Macquarie's choice.

I/We, whose full name(s) and address(es) appear above, hereby apply for the number of Macquarie Instalments on this Application Form shown in respect of this Application to be issued in accordance with the terms of the PDS dated 7 November 2003 issued by Macquarie Bank Limited. I/We declare that before completing this Application Form, I/We have received and was/were given access to a complete and unaltered PDS and I/We have read and understood the PDS to which this Application Form is attached and agree to accept the Macquarie Instalments on the conditions set out in the PDS.

I/We declare that before completing this Application Form, I/We have received and was/were given access to a complete and unaltered PDS.

Authorisation of Applicant or Company Officer

X											/	/
Name												

► If a company officer, you **must** specify your corporate title

Director ☐ Secretary ☐

Other												

Authorisation of Joint Applicant or Company Officer

X											/	/
Name												

► If a company officer, you **must** specify your corporate title

Director ☐ Secretary ☐

Other												

INVESTOR DECLARATION 2 – IMPORTANT

You should **not** sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may **lose** your protection under the Consumer Credit Code.

I/We declare that the credit to be provided to me/us by Macquarie is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

Authorisation of Applicant or Company Officer

X											/	/
Name												

► If a company officer, you **must** specify your corporate title

Director ☐ Secretary ☐

Other												

Authorisation of Joint Applicant or Company Officer

X											/	/
Name												

► If a company officer, you **must** specify your corporate title

Director ☐ Secretary ☐

Other												

Send this completed form to:

Equity Markets Support – Instalment Warrants
Macquarie Bank Limited
GPO Box 3423
Sydney NSW 2001

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Instructions For Completing The Rollover Application Form

**FOR EXISTING
INSTALMENTS
HOLDERS**

Please complete all the relevant sections of the Application Form in accordance with the following instructions. These instructions are cross referenced to each section of the Application Form.

A REGISTRATION DETAILS

- Complete all the personal and contact details where indicated. Make sure you write the full name that you wish to appear on your Holding Statement including any title(s). Where there is more than one Applicant, write the full details of each Applicant in the space provided.
- If you are applying as a company officer, write the company name and the Australian Company Number (ACN), Australian Business Number (ABN) or Australian Registered Business Number (ARBN) if applicable.
- You must specify a residential address and a mailing address if different from the residential address. The mailing address details will be used for all correspondence (you should particularly take note of this if you are opening a joint account).
- Write the Tax File Number (TFN) of each Applicant or reason for exemption in the space provided. Alternatively, each Applicant can quote their ABN, where applicable.

IMPORTANT NOTICE: Collection of TFNs or ABNs is authorised by taxation laws. Quotation of TFNs or ABNs is not compulsory however failure to provide a TFN or ABN may result in Macquarie not accepting your Application unless an exemption is notified. If applying as a company officer, only write the company's TFN or ABN, not your personal TFN or ABN.

B CHESS DETAILS

- If you are already a CHESS participant, or sponsored by a CHESS participant, write your HIN. If not, leave this blank and any Macquarie Instalments issued to you will be Issuer Sponsored and allocated an SRN (Shareholder Reference Number).

C METHOD OF PAYMENT

- Indicate your method of payment if applicable. If you are paying by BPAY®, the reference number you should use is the Application Number (where known) without the letters. All cheques should be made payable to "Macquarie Bank Limited – Instalment Warrants" and must be drawn on an Australian bank in Australian currency. Payment will only be accepted from the Applicant and not from any other third party.

D DIRECT DEBIT AND CREDIT AUTHORITY

- Complete this section to authorise us to debit and/or credit your bank account for payments and receipts in connection with Instalments issued by Macquarie Bank Limited. You will need to provide details of the bank account as indicated below.

E BANK ACCOUNT DETAILS

- Enter your bank account details here if you wish to have payments debited from and/or distributions directly credited to your bank account in connection with Instalments issued by Macquarie. The bank account

should be in the same name as the Applicant. This instruction is only applicable for accounts held with banks, building societies and credit unions within Australia.

F REINVESTMENT OF CASHBACK AMOUNT

- You can apply to reinvest any cashback amount due to you as a result of your Rollover Application to the purchase of other Macquarie Instalments by marking "Yes" in this section, subject to the normal \$2,000 minimum per Macquarie Instalments Series for Cash Applications. Your cashback amount will be reinvested at the price prevailing on the day your Application is accepted. If you wish to reinvest any cashback amount you will need to complete the Cash Application Form and attach it to the Rollover Application Form.

G APPLICATION DETAILS

There are two separate tables. G1 – regular IMF Instalments and G2 – hot IMG Instalments. If your Application Form relates to either or both Series, the relevant table must be completed as follows:

- Column ❶ – write the number of Macquarie Instalments you are applying for in each Series.
- Column ❷ – write the ASX Instalment code of the Prior Series Instalments you hold.
- Column ❸ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' your cashback/ (payment) amount per Macquarie Instalment and was provided with a Application Number, write that amount here.
- Column ❹ – if your stockbroker or financial adviser has contacted Macquarie to 'lock in' the cashback/ (payment) amount per Macquarie Instalment, the Total Cashback/ (Payment) Amount is determined by multiplying the Number of Macquarie Instalments by the Cashback/(Payment) per Macquarie Instalment.
- Add up the Total Cashback/(Payment) Amount for each Series of Macquarie Instalments you are applying for and write this number in the box provided.

H INVESTOR DECLARATION 1 AND 2

- The Rollover Application Form must be signed in two places by each Applicant: Investor Declaration 1 and Investor Declaration 2. Individual Applicants must sign personally. All joint Applicants must sign (and will be bound jointly and severally). The Power of Attorney granted by a company should be signed either by two directors of the company or a director and company secretary of the company. For a proprietary company that has a sole director who is also the sole company secretary, the form should be signed by that director. Alternatively, a company may sign under the company's common seal provided the fixing of the seal is witnessed by two company officers (or in the case of a sole director – by that director). The Power of Attorney granted by superannuation funds, trusts, partnerships and deceased estates is to be signed by the individual trustees, executors or principals. The name of the witnesses to the seal or the attorney must be printed. If the Power of Attorney is granted under power of attorney, a certified copy of the power of attorney should be provided to Macquarie.

C	METHOD OF PAYMENT
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☐ Direct Debit

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Biller Code: 20230

Your BPAY reference number
is your Application Number
without the letters

Receipt No:

D DIRECT DEBIT AND CREDIT AUTHORITY

Tick one box only: Direct Debit and Credit ☐ Direct Credit Only ☐

I/We understand and acknowledge that in providing the direct debit and credit instructions to Macquarie Bank that:

- Where direct debit is applicable, I/We authorise Macquarie Bank to make a debit from my/our nominated account for transactions in relation to warrants and structured products issued by Macquarie Bank. I/We understand that it is my/our responsibility to ensure that there are sufficient cleared funds in my/our nominated account to honour any direct debit instruction. I/We understand that the instruction will be automatically cancelled if the payment is dishonoured because of insufficient funds. Macquarie Bank will charge the cost of dishonoured direct debits against my/our account.
- I/We authorise and direct the crediting to my/our nominated account all amounts payable to me/us under the Macquarie Instalments.
- I/We acknowledge and agree that until the instructions are modified or deferred by me/us in accordance with these terms, Macquarie Bank may act on the instructions to discharge its obligations under the Terms.
- My/our nominated financial institution may in its absolute discretion decide the order of priority of payment by it of any moneys pursuant to the request made pursuant to the direct debit instruction or any other authority or mandate.
- I/We can modify or defer our direct debit and credit instructions at any time by giving Macquarie Bank 14 days notice in writing.
- If at any time I/we feel that a direct debit against or credit to my/our nominated account is inappropriate or wrong it is my/our responsibility to notify Macquarie Bank as soon as possible.
- Direct debiting and crediting through the Bulk Electronic Clearing System ("BECS") is not available on all accounts. I/We can check my/our account details against a regular statement or check with the financial institution as to whether I/We can request a direct debit from my/our account.
- Macquarie Bank will give me/us 14 days notice in writing if they intend to cancel my instructions.
- Macquarie Bank may need to pass on details of my/our direct debit instructions to their sponsor bank in BECS to assist with the checking of any incorrect or wrongful debits to my/our nominated account.

You must complete your Bank Account details below.

E BANK ACCOUNT DETAILS

For the purposes of the Instructions given in the Direct Debit and Credit Authority section, you should specify your bank account details here. The bank account should be in the same name as the Investor. **Investors should read the instructions associated with this Application Form.**

Name of bank or financial institution

[illegible]

Account name

[illegible]

Branch address

[illegible]

Branch number (BSB)

--	--	--	--	--	--

Account number

[illegible]

Office use only

Office use only

F	REINVESTMENT OF CASHBACK AMOUNT

I/We agree to reinvest any cashback amount due to me/us in applying for additional Macquarie Instalments:

Yes ☐ No ☐

(NB: If you elect "Yes" you must follow the instructions for Cash Applications from the relevant Macquarie Instalments PDS and attach such Cash Application Form to this Application)

The Cash Application Number to which any cashback amount is to be applied is:

--	--	--	--	--	--	--	--	--

(This is the number quoted to your stockbroker or financial adviser by Macquarie).

G APPLICATION DETAILS

1 IMF REGULAR INSTALMENTS

ASX Instalment Code	Number of Macquarie Instalments ①	Prior Series ASX Instalments Code ②	Cashback/(Payment) Amount per Macquarie Instalment ③	Total Cashback/(Payment) Amount ④
eg. XYZIMF	10,000	XYZIMC	\$2.573	\$25,730.00
AGLIMF			\$	\$
ALLIMF			\$	\$
AMCIMF			\$	\$
AMPIMF			\$	\$
ANZIMF			\$	\$
BHPIMF			\$	\$
BSLIMF			\$	\$
BBGIMF			\$	\$
BILIMF			\$	\$
CBAIMF			\$	\$
COHIMF			\$	\$
CMLIMF			\$	\$
CSLIMF			\$	\$
FOAIMF			\$	\$
FGLIMF			\$	\$
FXJIMF			\$	\$
HVNIMF			\$	\$
IAGIMF			\$	\$
LLCIMF			\$	\$

Cont >>

1 IMF REGULAR INSTALMENTS Cont.

ASX Instalment Code	Number of Macquarie Instalments ①	Prior Series ASX Instalments Code ②	Cashback/(Payment) Amount per Macquarie Instalment ③	Total Cashback/(Payment) Amount ④
eg. XYZIMF	10,000	XYZIMC	\$2,573	\$25,730.00
MAPIMF			\$	\$
MCGIMF			\$	\$
MIGIMF			\$	\$
MAYIMF			\$	\$
NABIMF			\$	\$
NCPIMF			\$	\$
ORGIMF			\$	\$
PPXIMF			\$	\$
PRKIMF			\$	\$
PMNIMF			\$	\$
QANIMF			\$	\$
RIOIMF			\$	\$
STOIMF			\$	\$
SEVIMF			\$	\$
SFYIMF			\$	\$
STWIMF			\$	\$
SUNIMF			\$	\$
TLSIMF			\$	\$
TOLIMF			\$	\$
WBCIMF			\$	\$
WESIMF			\$	\$
WOWIMF			\$	\$
WSFIMF			\$	\$
G1 TOTAL				\$

G APPLICATION DETAILS
2 IMG HOT INSTALMENTS

ASX Instalment Code	Number of Macquarie Instalment ①	Prior Series ASX Instalments Code ②	Cashback/(Payment) Amount per Macquarie Instalment ③	Total Cashback/(Payment) Amount ④
eg. XYZIMG	10,000	XYZIMD	\$2,573	\$25,730.00
AGLIMG			\$	\$
AWCIMG			\$	\$
AMPIMG			\$	\$
ANZIMG			\$	\$
BHPIMG			\$	\$
BSLIMG			\$	\$
BILIMG			\$	\$
CBAIMG			\$	\$
CMLIMG			\$	\$
CSLIMG			\$	\$
FGLIMG			\$	\$
FXJIMG			\$	\$
LLCIMG			\$	\$
MAPIMG			\$	\$
MIGIMG			\$	\$
NABIMG			\$	\$
NCPIMG			\$	\$
NCMIMG			\$	\$
NEMIMG			\$	\$
PMNIMG			\$	\$
PBLIMG			\$	\$
QANIMG			\$	\$
QBEIMG			\$	\$
RIOIMG			\$	\$
STOIMG			\$	\$
SRPIMG			\$	\$
SFYIMG			\$	\$
STWIMG			\$	\$
SGBIMG			\$	\$
SUNIMG			\$	\$
TAHIMG			\$	\$
TLSIMG			\$	\$
WBCIMG			\$	\$
WMRIMG			\$	\$
WPLIMG			\$	\$
WOWIMG			\$	\$
WSFIMG			\$	\$
G2 TOTAL				\$
G1 + G2 TOTAL				\$
TOTAL AMOUNT PAYABLE				

H INVESTOR DECLARATION 1

For valuable consideration and to facilitate the granting of the Loan and Security Interest, I/we: irrevocably appoint Belike Nominees Pty Limited or its nominee as my/our nominee on the terms of the Nominee Deed in respect of any of my Shares (and subsequent Accretions, if any) to which this Application relates (My Securities); authorise and direct the Security Trustee to do all things (including completing any documents) necessary for it or its nominee to become the registered holder of My Securities; and do anything incidental or necessary to complete any of the above.

For valuable consideration I/We irrevocably appoint each director and secretary of Macquarie or any employee of Macquarie whose title includes the words "director" or "manager" severally as my/our attorney to: complete any blanks in the Loan Agreement; execute the Loan Agreement substantially in the form set out in Section 8 of the PDS (including the Consumer Credit Code declaration) manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form; do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Macquarie relating to the Loan; and do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in this Application Form and appointing any person as sub-attorney to do any of the above).

I/We direct Macquarie to apply from the loan proceeds an amount sufficient to pay the Completion Payment on any Prior Series Instalments to which this Application relates.

I/We direct Macquarie Bank Limited and Macquarie Equities (Australia) Limited to do anything necessary to effect the transfer to the Security Trustee of any of my/our Securities.

I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).

I/We represent and warrant that: I am/we are the sole legal and beneficial* owner(s) of my/our Securities; my/our Securities are free from any Encumbrances and I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

*Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust.

I/We acknowledge that if I/we elect to reinvest any cashback amount in applying for additional Macquarie Instalments, any residual amounts, which will be less than the value of one Macquarie Instalment, will be donated to a charity of Macquarie's choice.

I/We, whose full name(s) and address(es) appear above, hereby apply for the number of Macquarie Instalments on this Application Form shown in respect of this Application to be issued in accordance with the terms of the PDS dated 7 November 2003 issued by Macquarie Bank Limited. I/We declare that before completing this Application Form, I/We have received and was/were given access to a complete and unaltered PDS and I/We have read and understood the PDS to which this Application Form is attached and agree to accept the Macquarie Instalments on the conditions set out in the PDS.

I/We declare that before completing this Application Form, I/We have received and was/were given access to a complete and unaltered PDS.

Authorisation of Applicant or Company Officer

X	Signature	/ /
Name		
▶ If a company officer, you must specify your corporate title		
Director	☐	Secretary ☒
Other		

Authorisation of Joint Applicant or Company Officer

X	Signature	/ /
Name		
▶ If a company officer, you must specify your corporate title		
Director	☐	Secretary ☒
Other		

INVESTOR DECLARATION 2 – IMPORTANT

You should **not** sign this declaration unless the Loan is wholly or predominantly for business or investment purposes.
By signing this declaration you may **lose** your protection under the Consumer Credit Code.

I/We declare that the credit to be provided to me/us by Macquarie is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

Authorisation of Applicant or Company Officer

X	Signature	/ /
Name		
▶ If a company officer, you must specify your corporate title		
Director	☐	Secretary ☒
Other		

Authorisation of Joint Applicant or Company Officer

X	Signature	/ /
Name		
▶ If a company officer, you must specify your corporate title		
Director	☐	Secretary ☐
Other		

Send this completed form to:

Equity Markets Support – Instalment Warrants
Macquarie Bank Limited
GPO Box 3423
Sydney NSW 2001

Macquarie Bank Limited
GPO Box 3423
Sydney NSW 2001

SECTION 11

Completion Notice

Only complete this form if you want to make your Completion Payment and receive the Underlying Shares

Send to:

Macquarie Bank Limited – Instalment Warrants
Equity Markets Support
GPO Box 3423
Sydney NSW 2001

Dear Sir/Madam

This is to notify you that, I/we, being the holder or being entitled to be registered as the holder of the number of Macquarie Instalments relating to Shares in the Listed Entity specified below and issued in accordance with the Terms summarised in Section 5 of this PDS issued by Macquarie Bank Limited hereby give a Completion Notice in respect of those Macquarie Instalments.

This notice is, as required by the Terms, accompanied by the required instruments including a cheque or payment confirmation for the Completion Payment. (see Method of Payment below)

Name of Holder:

Contact Name (if not Holder):

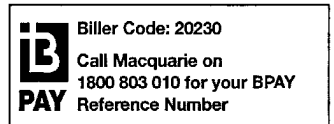
Daytime Contact Number:

HIN/SRN	ASX Instalment Code	Number of Instalments Held	Completion Payment per Instalment	Total Completion Payment Due	Payment Enclosed (if less than Total)
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
TOTAL				\$	\$

Please note: the Shares to be delivered to your account will be registered as an Issuer Sponsored Holding. Investors wanting to transfer these holdings to their broker sponsored accounts should contact their stockbroker to arrange this.

Method of Payment

☐ Cheque made payable to "Macquarie Bank Limited – Instalment Warrants" ☐ Direct Debit (Please see over) ☐ BPAY



Signature 1

☒ / /

Name

Signature 2

☒ / /

Name

Direct Debit Authority for Completion Notice

Complete this section if you want Macquarie to deduct a Completion Payment directly from your bank account.

I/we request you, Macquarie Bank Limited, Credit User ID 161319 and Debit User ID 161320, until further notice in writing, to debit my account described here, for transactions in relation to warrants and structured products issued by Macquarie Bank Limited.

I/we understand and acknowledge that:

1. My nominated financial institution may in its absolute discretion decide the order of priority of payment by it of any moneys pursuant to this request or any authority or mandate;
2. The financial institution may, in its absolute discretion, at any time by notice in writing to me, terminate this request as to future debits and credits;
3. Macquarie Bank Limited may, by prior notice in writing to me within 14 days, terminate this request as to future debits and credits;
4. I can modify or defer this regular Direct Debit Request (DDR) at any time by giving Macquarie Bank Limited 14 days notice, in writing;
5. If at any time I feel that a direct debit against my nominated account is inappropriate or wrong it is my responsibility to notify Macquarie Bank Limited as soon as possible;
6. Direct debiting through BECS is not available on all accounts. I can check my account details against a regular statement or check with the financial institution as to whether I can request a direct debit from my account;

7. Macquarie Bank Limited may need to pass on details of my direct debit request to their sponsor bank in BECS to assist with the checking of any incorrect or wrongful debits to my nominated account; and

8. It is my responsibility to ensure that there are sufficient cleared funds in my nominated account to honour the DDR. I understand that the DDR will be automatically cancelled if three direct debit payments are dishonoured because of insufficient funds within a 12 month period. Macquarie Bank Limited will give me 14 days notice in writing if they intend to cancel my DDR. Macquarie Bank Limited will also charge the cost of dishonoured direct debits against my account.

Bank Account Details

For the purposes of the instructions given in the Direct Debit Authority on this page, you should specify your bank account details here.

Name of financial institution

[illegible]

Branch address

[illegible]

Branch number (BSB)

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Account number

--	--	--	--	--	--	--	--	--

Account name

[illegible]

Signature of Applicants

Signature 1

X	/	/
---	---	---

Name _____

[illegible]

Daytime Contact Number

()

E-mail address

Signature 2

X	/	/
---	---	---

Name _____

[illegible]

Daytime Contact Number

()

F-mail address

--

The Product Disclosure Statement was executed by Macquarie Bank Limited under power of attorney dated 28 October 2003 by each of Sheridan Wesson and Jeffrey Weeden in their capacity as attorneys.

Privacy Act 1998 (Cwlth) – Collection Statement

If you complete the Application Form attached to this PDS you will be supplying to Macquarie personal information. Macquarie will be bound by the Privacy Act 1998, as amended by the Privacy Amendment (Private Sector) Act 2000 ("the Privacy Act"), in relation to Macquarie's collection, holding, use, disclosure, management, access, correction and disposal of that information.

You should be aware that:

- You can contact us by phone, fax or email and request access to your information. In normal circumstances, we will give you full access to your information, however there may be some legal or administrative reason to deny you access, in which case we will tell you of our reason. Further, there may be some charge to give you full access where your request requires the compiling of information that has been archived or is significant in volume.
- Macquarie will use your personal information for the following purposes:
 - assessing your Application for the Instalments.
 - assessing the credit and other exposure that the Macquarie Bank Group has to you.
 - to keep and maintain a register of Holders.
 - marketing of products and services which are of a similar type as the Instalments.
 - to determine future product and business strategies and to develop its services.
 - to comply with all applicable regulatory or legal requirements (including the requirements of ASIC, ASX, ATO and AUSTRAC).
 - to communicate with you in relation to your Instalments and all transactions relating to your Instalments.
- Your personal information may be disclosed to other entities in the Macquarie Bank Group in carrying out the above uses. It may also be disclosed to any financial institution nominated by you in the Application Form or in a Direct Debit Form and may be disclosed to your stockbroker or Licensed Financial Adviser.
- While the information we ask you to supply in the Application Form is not required by law, Macquarie may not be able to assess your Application if the information is not supplied.
- You can obtain a copy of Macquarie's privacy statement on macquarie.com.au or by requesting it from us.

Directory

Issuer

Macquarie Bank Limited
No.1 Martin Place
Sydney NSW 2000
Australia

Phone: 1800 803 010

Email: warrants@macquarie.com.au

Website: macquarie.com.au/instalments

Registrar

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 1115
Australia

Phone: 1300 855 080

Issuer's Solicitors

Allens Arthur Robinson
Level 17
The Chifley Tower
Sydney NSW 2000
Australia

Security Trustee

Belke Nominees Pty Limited
No. 1 Martin Place
Sydney NSW 2000
Australia