

**Macquarie Bank Limited**  
ABN 46 008 583 542

No.1 Martin Place  
Sydney NSW 2000  
GPO Box 4294  
Sydney NSW 1164

Telephone (61 2) 8232 3333  
Facsimile (61 2) 8232 7780  
Internet [www.macquarie.com.au](http://www.macquarie.com.au)

## **ASX Release**

### **Resale of Exchangeable Capital Securities**



**MACQUARIE  
BANK**

**12 May 2017** Macquarie Bank Limited ("MBL") (ASX: MBL), acting through its London Branch, has announced on the Singapore Stock Exchange that it will provide a Resale Notice to each holder of Exchangeable Capital Securities ("ECS") (ISIN: XS0763122909 / Common Code: 076312290 / SGX: MBLS57) in accordance with the ECS terms ("Terms").

A copy of the announcement, including the formal Resale Notice and Deed of Undertaking provided in accordance with the Terms, is attached. The Resale Notice will also be delivered to holders through the clearing systems.

As disclosed on 5 May 2017, MBL, acting through its London Branch, intends to buyback the ECS notes immediately following the Resale on 20 June 2017, subject to satisfaction of all necessary conditions. As a result of the buyback, ECS are not expected to convert to Macquarie Group Limited (ASX: MQG) ordinary shares.

ECS, issued in 2012, are \$US250m of mandatory convertible notes that constitute Basel III-transitional Additional Tier 1 Capital for MBL.

#### **Contact:**

Karen Khadi, Macquarie Group Investor Relations	+61 (2) 8232 3548
James Freeman, Macquarie Group Investor Relations	+61 (2) 8232 0596

#### **Disclaimer**

The information provided in this announcement is not personal investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues).

This announcement does not constitute an offer of any securities (including the ECS) for sale or issue. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the ECS nor MGL ordinary shares have been or will be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and they may not be offered, sold or resold in the United States or to, or for the account of benefit of any "U.S. person" (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL. THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF ECS HOLDERS. IF ECS HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**This announcement is for information only and does not constitute an invitation or offer to sell, acquire, purchase or subscribe for securities in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws and offers to purchase securities will not be accepted from investors thereof in any jurisdiction where such offer or purchase is unlawful.**

**Macquarie Bank Limited, acting through its London Branch**

(the "Issuer")

*(incorporated with limited liability in Australia with ACN 008 583 542 and with UK establishment number BR002678)*

**Election to Issue Resale Notice**

**US\$250,000,000 Exchangeable Capital Securities (ISIN: XS0763122909) ("ECS")  
to J.P. Morgan Securities plc**

The Issuer wishes to announce that it will give a Resale Notice to each ECS Holder through Euroclear and Clearstream, Luxembourg in accordance with Condition 4.8 of the terms and conditions (the "Terms") of the ECS. Please refer to the attached Resale Notice for further details.

The ECS are expected to be delisted from the Singapore Exchange Securities Trading Limited on or around 21 June 2017, being the date one Business Day after the proposed date of completion of the Resale to the Nominated Party and buy-back of the ECS by the Issuer from the Nominated Party.

Terms used and not otherwise defined in this Resale Notice have the meaning given to them in the Terms.

**Macquarie Bank Limited (ACN 008 583 542) (acting through its London Branch)**

12 May 2017

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF ECS HOLDERS. IF ECS HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**Macquarie Bank Limited, acting through its London Branch**

(the "Issuer")

*(incorporated with limited liability in Australia with ACN 008 583 542 and with UK establishment number BR002678)*

**Resale Notice**

given in respect of the

**US\$250,000,000 Exchangeable Capital Securities (ISIN: XS0763122909) ("ECS")**

**A. Resale of ECS to Nominated Party**

This is a Resale Notice given in accordance with Condition 4.8 ("Issuer may give Resale Notice") of the terms and conditions (the "Terms") of the ECS.

Terms used and not otherwise defined in this Resale Notice have the meaning given to them in the Terms.

This Resale Notice is irrevocable (subject to the Terms).

The Issuer hereby gives notice to each ECS Holder that in accordance with the Terms it has:

- made an election to resell all ECS on the Scheduled Mandatory Exchange Date, being 20 June 2017 (the "**Resale Date**"); and
- appointed J.P. Morgan Securities plc (not being a Related Body Corporate of MGL or MBL) or any Permitted Successor as the Nominated Party for that Resale,

and accordingly, all ECS will be transferred to the Nominated Party at a purchase price per ECS equal to the principal amount of that ECS (the "**Resale Price**").

The Nominated Party on the date hereof has the Required Credit Rating and has undertaken for the benefit of each ECS Holder that it will acquire each ECS from the ECS Holder at the Resale Price in accordance with the Deed of Undertaking to be dated on or before the date of this Resale Notice, a copy of which is attached. The Issuer has the approvals required from APRA under the Terms in respect of the Resale.

**B. Conditions to completion of Resale**

Such acquisition by the Nominated Party is subject to and will be performed in accordance with the Terms and is conditional upon:

- (a) APRA not withdrawing its approval in respect of the Resale;
- (b) no Early Mandatory Exchange Event on account of a Common Equity Tier 1 Event or a Non-Viability Event occurring;
- (c) no failure to satisfy the Mandatory Exchange Conditions pursuant to Condition 4.15 ("Resale and Mandatory Exchange Conditions") of the Terms;

- (d) no order being made and no effective resolution being passed for the Winding Up of MBL; and
- (e) the Nominated Party paying the Resale Price.

### **C. Transfer and Resale Record Date**

The Resale Record Date is 15 June 2017 and no transfer of ECS will be registered between that date and the Resale Date.

### **D. Payment and Completion of Resale**

The Interest Payment in respect of ECS scheduled to be paid on 20 June 2017 will be paid by the Issuer subject to and in accordance with the Terms.

Payment of the aggregate Resale Price of all ECS will be made by or on behalf of the Nominated Party to BT Globenet Nominees Limited (as the registered holder of the Global Certificate) ("**BT Globenet**") in accordance with Clause 4.11 of the Terms to facilitate the transfers of the ECS held in the accounts of Euroclear and Clearstream to the Nominated Party.

For the purposes of Clause 4.14 of the Terms, the Issuer specifies that, if the Resale Price is not paid on the Resale Date but is so paid before the expiry of the second Business Day following the Resale Date:

- (a) the Resale Notice will not be void and the obligation of the ECS Holder and the Nominated Party will remain on foot; and
- (b) the ECS Holder will continue to hold the ECS which are the subject of the Resale Notice (subject to the obligation to complete the Resale with the Nominated Party).

On completion of the Resale occurring within two Business Days of the Resale Date, the Nominated Party shall pay to the ECS Holder, in addition to the Resale Price, interest in respect of the Resale Price for the period from the Resale Date to the date of completion of the Resale at the rate applicable to the payment of interest in respect of ECS under the Terms.

In all other respects, Clause 4.14 of the Terms shall apply.

### **E. Terms defined in this Resale Notice**

**"Permitted Successor"** means an entity (not being a Related Body Corporate of MGL or MBL) having the Required Credit Rating selected by the Issuer with the approval of APRA and which the Issuer has notified ECS Holders as having succeeded to and assumed all the Nominated Party's rights and obligations in connection with the Resale of ECS in place of the Nominated Party.

**Macquarie Bank Limited (ACN 008 583 542) (acting through its London Branch)**

12 May 2017

# Deed of Undertaking

relating to the resale of the US\$250,000,000 exchangeable capital securities of Macquarie Bank Limited (ACN 008 583 542) (acting through its London Branch) (ISIN: XS0763122909) (the “**Issuer**”) for which J.P. Morgan Securities plc acts as the Nominated Party (the “**Nominated Party**”)

Dated 5 May 2017

**King & Wood Mallesons**

Level 50  
Bourke Place  
600 Bourke Street  
Melbourne Vic 3000  
Australia  
T +61 3 9643 4000  
F +61 3 9643 5999  
DX 101 Melbourne  
www.kwm.com

# Deed of Undertaking

## Contents

<b>1</b>	<b>Interpretation</b>	<b>2</b>
<b>2</b>	<b>Undertaking to acquire ECS</b>	<b>2</b>
<b>3</b>	<b>Benefit of Deed of Undertaking</b>	<b>3</b>
<b>4</b>	<b>Partial invalidity</b>	<b>3</b>
<b>5</b>	<b>Contracts (Rights of Third Parties) Act 1999</b>	<b>3</b>
<b>6</b>	<b>Governing law, submission to jurisdiction and service of process</b>	<b>4</b>

# Deed of Undertaking

## Details

<b>Parties</b>	<b>Nominated Party</b>	
<b>Nominated Party</b>	Name	<b>J.P. Morgan Securities plc</b>
	Company number	2711006
	Address	25 Bank Street, Canary Wharf, London, E14 5JP, U.K
	Attention	David Mansfield and Sofie Sullivan
<b>In favour of</b>	The ECS Holders	
<b>Recital</b>	This deed poll witnesses that the Nominated Party undertakes in favour of the ECS Holders as set out below.	
<b>Date of Deed</b>	5 May 2017	

# Deed of Undertaking

## General terms

---

### 1 Interpretation

#### 1.1 Definitions

All terms and expressions which have defined meanings in the Terms (as defined below) have the same meanings in this Deed except where the context requires otherwise or unless otherwise stated. In addition, the following words have these meanings:

**Terms** means the terms and conditions of the ECS as set out in the offering circular in relation to the ECS dated 23 March 2012.

**Resale Notice** means the resale notice given on or after the date of this deed under Condition 4.8 of the Terms.

#### 1.2 Contrary Interpretation

Unless otherwise specified or the contrary intention appears:

- (a) headings (including those in brackets at the beginning of paragraphs) are inserted for convenience and do not affect the interpretation of this Deed;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a statute, ordinance, directive, code or law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them and references to law includes statutes, ordinances, codes, directives or common law and principles of equity having general application;
- (d) a reference to a party to an agreement, deed, authority or other instrument includes a reference to any successor, replacement, assignee, substitute or addition of the party according to that agreement, deed, authority or instrument; and
- (e) a reference to an agreement, deed or other instrument includes a reference to that agreement, deed or instrument as amended, modified, added to or restated from time to time.

#### 1.3 Reference to successor

A reference to the Nominated Party includes any successor appointed as contemplated by the Resale Notice which accedes to this deed on terms that it assumes all obligations (present and future) of the Nominated Party.

---

### 2 Undertaking to acquire ECS

#### 2.1 Undertaking to acquire ECS

The Nominated Party undertakes for the purpose of Condition 4.8 ("Issuer may give Resale Notice") of the Terms that all (but not some) of the ECS will be



acquired in accordance with the Terms by the Nominated Party on the Resale Date for the Resale Price.

## **2.2 Payment against delivery**

Payment of the purchase price will be made in accordance with the Resale Notice.

## **2.3 Conditions of Resale Notice**

This undertaking is subject to the satisfaction of any conditions as set out in the Resale Notice.

## **2.4 Condition to obligations**

The obligations of the Nominated Party provided for in Clause 2 of this Deed are conditional upon the Issuer giving the Resale Notice to the ECS Holders.

## **2.5 Interest on Resale Price**

Without prejudice to the Nominated Party's obligation under Clause 2.1, the Nominated Party further undertakes that if for any reason the Resale Price is not paid on the Resale Date, on completion of the Resale occurring within two Business Days of the Resale Date, the Nominated Party shall pay to the ECS Holders, in addition to the Resale Price, interest in respect of the Resale Price for the period from the Resale Date to the date of completion of the Resale at the rate applicable to the payment of interest in respect of ECS under the Terms and no further rights or remedy will be available to the ECS Holders in connection with the Resale Price not being paid on the Resale Date.

---

# **3 Benefit of Deed of Undertaking**

## **3.1 Deed poll**

This Deed takes effect as a deed poll for the benefit of the ECS Holders from time to time.

## **3.2 Assignment**

None of the ECS Holders is entitled to assign or transfer all or any of its rights, benefits and obligations under this Deed separate from its ECS.

---

# **4 Partial invalidity**

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction are in any way affected or impaired by such event or occurrence.

---

# **5 Contracts (Rights of Third Parties) Act 1999**

Other than in respect of ECS Holders, no rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

---

## **6 Governing law, submission to jurisdiction and service of process**

### **6.1 Governing law**

This Deed and any non-contractual obligations arising out of or in connection with it are, except as expressly stated in the Terms, governed by, and shall be construed in accordance with, English law.

### **6.2 Submission to jurisdiction**

The Nominated Party irrevocably agrees for the benefit of the ECS Holders that the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed) and accordingly submits to the jurisdiction of the English courts.

The Nominated Party waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The ECS Holders may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with this Deed (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Deed) against the Nominated Party in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

**EXECUTED** as a deed poll

# Deed of Undertaking

## Signing page

**Nominated Party:**

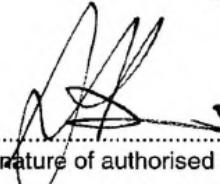
**EXECUTED** as a deed by **J.P. MORGAN SECURITIES PLC** in the presence of:



.....  
Signature of witness

**RAJUL PATEL**

.....  
Name of witness (block letters)



.....  
Signature of authorised signatory

**DMJ ROBERTSON**

.....  
Name and title of authorised signatory  
(block letters)

**MANAGING DIRECTOR**