

DIVIDEND REINVESTMENT PLAN

TERMS AND CONDITIONS

The following are the Terms and Conditions of the Bendigo and Adelaide Bank limited Dividend Reinvestment Plan (the "Plan").

The Plan

The Plan is a means by which Bendigo and Adelaide Bank Limited (the "Bank") shareholders who hold ordinary fully paid Bank shares ("shareholders") may elect to reinvest dividends declared by the Bank in additional Bank ordinary shares ("shares"), instead of receiving cash dividends in respect of all or part of their holding of shares.

Participation in the Plan is optional and is not transferable.

Eligibility

Except as stated below, all shareholders are eligible to participate in the Plan.

Shareholders in Countries Other than Australia

A shareholder who is subject to the laws of a country or place other than Australia may not be eligible to participate in the Plan because of legal requirements that apply in that country or place.

Levels of Participation

Shareholders may elect one of two levels of participation in the Plan.

1. **Full Participation**
A shareholder may participate in the Plan in respect of all shares registered in the name of the shareholder as at each Record Date for a dividend, other than shares in respect of which a full dividend is not then payable ("full participation").
2. **Partial Participation**
A shareholder may nominate a specific number of shares less than the total holding to be subject to the Plan, other than shares in respect of which a full dividend is not then payable.

Under the Plan, the Board may determine in its absolute discretion to issue new shares to a participating shareholder and/or to arrange for the purchase and transfer of existing shares to a participating shareholder.

All shares issued or transferred to the holder under the Plan will normally be added to the number of shares nominated as participating in the Plan.

Where, through sale or transfer, the number of shares held by a participant becomes less than the number nominated as participating in the Plan, that holder will be deemed to have elected full participation until the number of shares held by them (including those issued or transferred under the Plan) again exceeds the number of shares nominated as participating.

Notice of Election to Participate

Notice of Election to participate in the Plan must be given on the form supplied by the Bank and signed by the shareholder(s).

A Notice of Election to participate in the Plan by joint holders must be signed by all holders.

To be effective for a dividend a Notice of Election must be received by the Bank by the Record Date for the dividend.

A Notice of Election remains in force until formally varied or terminated by the shareholder or the Bank, or death of the shareholder. Shares which are sold or otherwise transferred to a new owner will cease to participate in the Plan on registration of the transfer. A Notice of Election received that is signed but does not specify the level of participation required, will be deemed to be for full participation.

Issue, and purchase and transfer, of shares under the Plan are subject to the Bank's Constitution.

Operation of the Plan

The Board may determine in its absolute discretion to distribute shares under the Plan by issuing new shares to a participating shareholder, by arranging for existing shares to be purchased and transferred to a participating shareholder, or by using a combination of these methods. (Any shares on which a full dividend is not payable at a Record Date will not participate in the Plan in respect of the dividend).

A separate Plan account will be maintained for each participant.

In respect of each dividend, the Bank will, for each participant:

1. Calculate the value of the dividend on participating shares by multiplying the number of participating shares by an amount equal to the rate of dividend applying to shares not participating in the Plan;
2. Determine the whole number of shares, valued in accordance with the provisions of the Plan, which most nearly equals (but does not exceed) the value of the dividend (less withholding tax where applicable) plus any residue from the previous dividend in the participant's Plan account;
3. Where shares to be distributed to participating shareholders are to be:
 - (a) **new shares to be issued**, issue the number of shares determined in accordance with paragraph 2 to the participating shareholder on, or as soon as practicable after, the relevant Dividend Payment Date; or
 - (b) **existing shares**, arrange for the purchase of the number of shares determined in accordance with paragraph 2 in such manner as the Board considers appropriate, and transfer the shares to the participating shareholder on, or as soon as practicable after, the relevant Dividend Payment Date.

4. Retain in the participant's Plan account any amount of residue of dividend less than the value of one share. No interest will accrue on such residual amounts.

The value per share at which shares will be issued, or transferred, under the Plan will be the arithmetic average (rounded to the nearest cent) of the daily volume weighted average price of all shares sold in the ordinary course of trading on the Australian Securities Exchange automated trading system during the Trading Period, less any discount determined by the Directors from time to time. The determination of this value by the Directors or their delegate will be binding on all participating shareholders. For the purposes of this calculation:

- (a) the daily volume weighted average price (including decisions as to whether any sale of shares was in the ordinary course of trading) will be calculated by the Directors, or another suitable person nominated by the Directors, by reference to information the Directors approve from time to time; and
- (b) the *Trading Period* means, in respect of a dividend, the fifteen trading day period starting on (and including) the second business day after the Record Date for that dividend and ending on (and including) the sixteenth business day after that Record Date, or such other period as the Directors may determine from time to time.

The Directors shall have the right not to proceed with an issue, or purchase and transfer, of shares from the proceeds of any particular dividend if it is considered advisable not to do so and in such a case the dividend will be paid by cheque or electronic funds transfer to the shareholder.

Each participant in this Plan shall be deemed to have directed the Bank to apply the cash dividend that is available for payment in relation to their participating shares as at each Dividend Payment Date relating thereto as payment for shares to be issued, or purchased and transferred, to them pursuant to these Terms and Conditions and the participant shall be deemed to have subscribed for, or applied to have purchased and transferred to the participant, as at each Dividend Payment Date, the number of shares ascertained by the Bank in accordance with these Terms and Conditions.

Shares Issued Under the Plan

All shares issued under the Plan will rank equally, in all respects, with all other fully paid ordinary shares then on issue and will participate in all dividends subsequently declared. After the issue of any shares under this Plan, the Bank will apply promptly for the shares so issued to be admitted to quotation by Australian Securities Exchange.

Residues

The residual balance retained in a participant's Plan account is not available to the participant but where participation is terminated or the shareholder dies, the Bank may donate any residual balance in that participant's Plan account to one or more charities nominated by the Board from time to time.

Costs to Participants

No brokerage, commission, or other transaction costs will be payable by participants on shares issued, or purchased and transferred, under the Plan and no stamp or other duties

will under present law be payable by participants in respect of the issue or purchase and transfer of shares under the Plan.

Statements to Participants

The Bank will send to each participant, after each dividend payment date, a statement detailing:-

1. The number of the participant's shares subject to the Plan as at the relevant Record Date.
2. The amount of residue in the participant's Plan account immediately prior to that dividend.
3. The value of the dividend referable to the shares participating in the Plan.
4. The price at which shares have been issued or transferred under the Plan.
5. The number of shares issued or transferred under the Plan.
6. The amount of residue remaining in the participant's Plan account after deduction of the value of the shares issued or transferred under the Plan.
7. An indication of amounts deemed assessable to Australian income tax. Australian resident shareholders will be liable to income tax on the same basis as if they received dividends in cash. Residents of other countries should consult their professional advisers regarding liability to taxation.
8. If applicable, the amount of withholding tax which has been deducted in respect of the dividend on the shares participating in the Plan.

Alteration to Degree of Participation

A participant may at any time vary participation in the Plan by completing and returning to the Bank a Dividend Nomination Advice form.

Termination of Participation

A participant may at any time give notice in writing of termination of participation in the Plan. If a participant dies, participation by that holder will be terminated upon receipt of notice of death. Death of one of two or more joint holders will not automatically terminate participation.

In the case where a participant becomes bankrupt, that holder's participation in this Plan will terminate upon the receipt by the Company of a notification from the participant or the trustee in bankruptcy of the participant's bankruptcy.

Following termination or death, the amount of any residual balance in that participant's Plan account may be donated by the Bank to one or more charities nominated by the Board from time to time. Dividend Nomination Forms or notices in writing must be received by the Bank by the Record Date for a dividend in order to take effect for the dividend.

Reduction or Termination when no Notice Given

Where a participant's full holding is disposed of without notice of termination, that holder's participation in the Plan will cease on the date of the last transaction registered.

Taxation

The Bank takes no responsibility for the taxation liabilities of the participants.

As individual circumstances and laws vary considerably, specific taxation advice should be obtained by participants if required.

As a general indication, however, under Australian tax laws dividends reinvested in shares are usually treated in the same way as cash dividends.

Notices

Notices to the Bank shall be in writing and in such form as the Bank directs from time to time.

Notices must be received by the Bank by the Record Date for a dividend to take effect for the dividend. Notices received after the Record Date for a dividend will not be effective until the following dividend.

General

The Plan will not apply in any case where, in accordance with the Terms and Conditions, the Constitution of the Bank or otherwise by law, the Directors are entitled to retain all or part of a dividend payable in respect of shares which a participant has nominated as participating in the Plan or the Bank is entitled to a charge over such shares or over any dividend payable in respect thereof.

The Plan, the Terms and Conditions and the operation of the Plan shall be governed by the law of the State of Victoria.

Modification and Termination of the Plan

The Directors may modify or terminate the Plan and these Terms and Conditions from time to time. The Directors may resolve any difficulties which arise in any way they think appropriate and may also adopt such administrative procedures as they think appropriate. In the case of a modification, the Bank will advise members in writing and it will be deemed that existing participants will continue under the modified Plan unless the Bank is notified to the contrary by Notice of Variation on the form issued by the Bank.

Agreements and Acknowledgements

By electing to participate in the Plan, each participant agrees that, where the Board determines to arrange for the transfer of existing shares to a participant under the Plan, the Bank may appoint on behalf of the participant a stockbroker or other person nominated by the Bank as the participant's agent to acquire the shares.

Each participant acknowledges that the Bank has not provided the participant with investment advice or financial product advice and that neither the Bank nor any stockbroker or other person nominated by the Bank as the participant's agent to acquire shares is obliged to provide such advice to a participant.

Each participant appoints the Bank as the participant's agent to receive any notices, including any Financial Services Guide (and any update of such document), that any stockbroker or other person nominated by the Bank as the participant's agent to acquire shares in the market is required to provide under the *Corporations Act 2001* (Cth). Any such document will be made available on the Bank's website (www.bendigoadelaide.com.au).