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Georgie 7 years



Notice of Annual General Meeting 2004

Notice is given that the Annual General Meeting of Bendigo Bank Limited (ABN 11 068 049 178) will be held at the Capital Theatre, 50 View Street, Bendigo on Monday, 25 October 2004 at 11.00am.

ORDINARY BUSINESS

1. Accounts and Reports

To receive and consider the Company's financial report, directors' report and report by auditor for the year ended 30 June 2004.

2. Re-election of Mr RA Guy OAM as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"Mr RA Guy OAM, Chairman of the Board, who retires from office under Rule 67 of the Company's Constitution, be re-elected as a director of the Company."

3. Re-election of Mr DJ Erskine as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"Mr DJ Erskine, who retires from office under Rule 67 of the Company's Constitution, be re-elected as a director of the Company."

4. Re-election of Mr KE Roache as a Director

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"Mr KE Roache, who retires from office under Rule 67 of the Company's Constitution, be re-elected as a director of the Company."

Special Business

5. Employee Share Ownership Plan - amendment of maximum percentage of shares that can be issued under the Plan

To consider, and if thought fit, pass the following as an ordinary resolution:

"That the amendment to the maximum percentage of shares that can be issued under the Bendigo Employee Share Ownership Plan from 7.5 per cent to the limit under the Australian Securities & Investments Commission's Class Order (CO 03/184) "Employee Share Schemes" (as amended or substituted from time to time), as described in the explanatory notes, be approved."

6. Employee Share Ownership Plan - approval of issues

To consider, and if thought fit, pass the following as an ordinary resolution:

"That the Company approve for all purposes, including listing rule 7.2 exception 9, the issue of securities under the Bendigo Employee Share Ownership Plan, the terms of which are summarised in the explanatory notes."

Note: A voting exclusion statement applies to this resolution - see explanatory notes.

7. Employee Share Ownership Plan - issue of shares to Managing Director

To consider, and if thought fit, pass the following as an ordinary resolution:

"That the Company approve for all purposes, including listing rule 10.14, the issue of 300,000 fully paid ordinary shares to the Managing Director under the Bendigo Employee Share Ownership Plan, on the terms set out in the explanatory notes."

Note: A voting exclusion statement applies to this resolution - see explanatory notes.

VOTING INFORMATION

Attending the Meeting

All shareholders may attend the Annual General Meeting.

In the case of joint shareholders, all holders may attend the meeting. If only one holder attends the meeting, that shareholder may vote at the meeting in respect of the relevant shares (including by proxy) as if that holder were solely entitled to them. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register in respect of the relevant shares is entitled to vote in respect of them.

A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act 2001, but only one representative may exercise the corporate shareholder's powers at any one time. The Company requires written evidence of a representative's appointment to be lodged with or presented to the Company before the meeting.

Not attending the Meeting

Shareholders entitled to vote at the meeting, but unable to attend are encouraged to appoint a proxy to vote on their behalf, using the attached Proxy Form. A proxy need not be a member of the Company.

A shareholder who is entitled to cast two or more votes at the meeting may appoint two proxies and specify on the Proxy Form the proportion or number of votes each proxy is appointed to exercise.

A Proxy Form (and any power of attorney under which it is signed) must be received by the Company by no later than 11.00am on 23 October 2004 and may be returned by post using the enclosed reply paid envelope, sent to the Company's Share Registry at Level 2, Fountain Court, Bendigo, Victoria, 3550 or sent by facsimile to (03) 5433 9471.

For more information on appointing a proxy see the section entitled "Information for shareholders appointing a proxy" on the reverse side of the Proxy Form.

Voting Rights

For the purpose of voting at the meeting, the directors have determined that all shares of the Company that are quoted securities at 10.00pm (AEST) on 23 October 2004 are taken to be held by the persons who held them at that time. The entitlement of members to vote at the meeting will be determined by reference to that time.

Voting Exclusion Statement

In accordance with the listing rules, the Company will disregard any votes cast in respect of item 6 and item 7 of special business by the Managing Director of the Company or any associate of the Managing Director of the Company. However, the Company need not disregard a vote if it is cast by a person as proxy for a member who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides (provided that, in the latter case, the acknowledgement box on the Proxy Form in relation to resolutions 6 and 7 is marked).

By Order of the Board

David Oatway, Company Secretary
23 August 2004

EXPLANATORY NOTES

This information has been included to assist you in making an informed decision about the resolutions to be proposed at the meeting.

2. Re-election of Mr RA Guy OAM as a Director

Mr Guy, aged 59, has been a director of the Company since 1982, was appointed Chairman in 1986 and stands for re-election at this year's Annual General Meeting. Mr Guy is a member of the audit committee and chairs the property committee and governance committee. He is a graduate of Melbourne and London universities, the managing director of Crystal Industries and a director of Elders Rural Bank Limited.

Further details of Mr Guy's qualifications, experience and information relevant to the re-election are provided in the Directors' Report and Corporate Governance Section of the 2004 Concise Annual Report.

Recommendation: The other directors recommend that shareholders vote in favour of Mr Guy's re-election.

3. Re-election of Mr DJ Erskine as a Director

Mr Erskine, aged 59, has been a director of the Company since 1999 and stands for re-election at this year's Annual General Meeting. Mr Erskine is a member of the Company's credit, property and IT committees. Mr Erskine is a mechanical engineer by background and managing director of both Industrial Conveying (Aust) Ltd and Bendigo Brick Ltd.

Further details of Mr Erskine's qualifications, experience and information relevant to the re-election are provided in the Directors' Report and Corporate Governance Section of the 2004 Concise Annual Report.

Recommendation: The other directors recommend that shareholders vote in favour of Mr Erskine's re-election.

4. Re-election of Mr KE Roache as a Director

Mr Roache, aged 64, has been a director of the Company since 1992 and stands for re-election at this year's Annual General Meeting. Mr Roache is chairman of the credit committee and a member of the risk and governance committees. Mr Roache was the former chairman of Capital Building Society, which merged with the then Bendigo Building Society in May 1992. Mr Roache is also the senior partner of Geelong legal firm Coulter Roache.

Further details of Mr Roache's qualifications, experience and information relevant to the re-election are provided in the Directors' Report and Corporate Governance Section of the 2004 Concise Annual Report.

Recommendation: The other directors recommend that shareholders vote in favour of Mr Roache's re-election.

5. Employee Share Ownership Plan - amendment of maximum percentage of shares that can be issued under Plan

The Company established an Employee Share Ownership Plan (the "Plan") in 1995. The terms of the Plan currently include a threshold for the maximum percentage of shares that can be issued under the Plan. The terms provide that an offer of shares under the Plan may only be made if the number of shares being offered, when aggregated with share issues in the same class during the previous five years under a Bendigo employee share scheme (disregarding certain offers, such as offers to senior managers), does not exceed 7.5% of the total number of issued shares in that class as at the time of offer.

Australian Securities & Investments Commission ("ASIC") Class Order (CO 03/184) Employee Share Schemes provides conditional relief from certain disclosure and licensing provisions of the Corporations Act 2001 for offers under an employee share scheme. The Class Order includes an exemption from disclosure provisions for offers of shares under an employee share plan provided that the number of shares under an offer, when aggregated with the number of shares in the same class issued during the previous five years under an employee share plan of the company (disregarding certain offers, including offers to senior managers), does not exceed 5% of the total number of issued shares in that class as at the time of the offer.

The Board recently approved amendments to the terms of the Plan as authorised under the Plan Deed. A summary of the changes made to the Plan terms is set out in the explanatory notes to Resolution 6 below. The changes included amending the Plan threshold from the 7.5% limit described above to the limit under the ASIC employee share plan relief, currently 5%.

The ASX Corporate Governance Council, in its *Principles of Good Corporate Governance and Best Practice Recommendations*, recommends that the payment of equity-based executive remuneration be made in accordance with thresholds set in plans approved by shareholders. The Plan is open to participation by executives. Accordingly, the Board is seeking shareholder ratification of the decision to change the 7.5% threshold to the limit under the ASIC employee share plan relief, currently 5%.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

6. Employee Share Ownership Plan - approval of issues

The Company is seeking shareholder approval for future share issues to be made under the Plan.

Listing rule 7.1 imposes a cap on the number of shares that a company may issue within a 12-month period without shareholder approval. The cap is 15% of a company's total issued shares at the beginning of the 12-month period. Listing rule 7.2 contains a number of exceptions to listing rule 7.1 allowing specified issues of shares to be excluded from these calculations, including issues approved by shareholders under an employee share plan (exception 9(b)). The exception applies for three years from the date of approval. The last approval for issues under the Plan was given at the Annual General Meeting in October 2001. Accordingly, approval is now sought for the issue of shares under the Plan that will apply for the next three years.

A summary of the key terms of the Plan is provided below for shareholder information. Shareholders wishing to consider the precise operation of the Plan should obtain an unabridged copy of the rules free of charge from the Company's Share Registry.

Plan terms and conditions

The Plan provides eligible employees, including the Managing Director and executives, with an additional incentive to improve the Company's profitability, and hence shareholder returns. Eligible employee is defined under the Plan as being a full-time or permanent part-time employee of the Company or any associated company (such as a subsidiary), or any other person who is determined by the Board to be eligible to participate in the Plan.

The primary benefit offered under the Plan is an interest-free loan to acquire shares in the Company without the risk of loss (except to the extent that a participant voluntarily repays part or all of the loan before it is due, or the participant exercises rights to acquire further shares under a rights issue). A participant will be denied the protection against the risk of loss under the Plan if the participant's employment terminates due to fraud, dishonesty or other serious misconduct.

Offers under the Plan may be made at any time. The Board has discretion to determine the employees who are eligible to receive offers as well as the amount of the loan offered and the number of shares ('Plan Shares') offered.

If shares are offered, the acquisition price must be equal to the market value of the shares prevailing, at the discretion of the Board, at either the time of the offer or at the time of the acquisition of the shares. An offer can only be made under the Plan if the total number of shares which could be acquired upon acceptance of each outstanding offer together with the total number of shares acquired within the previous five years under the Plan or any other employee share plan (disregarding certain offers, including offers to senior managers) does not exceed the limit under the ASIC employee share plan relief, currently 5% of the issued shares in the Company as at the time of the offer.

The rights attaching to Plan Shares will be the same as apply to other listed ordinary shares except the Plan Shares will not be eligible to participate in any plan for the issue of shares in lieu of dividends.

Until the loan provided to acquire the Plan Shares is repaid, a participating employee will not be permitted to sell, mortgage or otherwise deal with any Plan Shares unless permitted upon a takeover. The loan provided will be interest-free unless an employee breaches the restriction on transferability. Dividends will be used to repay the liability except that a portion may be paid to the employee to satisfy any income tax liability on the dividends.

The employee may, but is not obliged to, repay all or part of the outstanding loan before it is due for repayment. If not repaid at the employee's termination of employment, either the employee or the Company may require that the Plan Shares be transferred to BBS Nominees Pty Ltd ("BBS Nominees") and the purchase price be used to discharge the loan. The employee shall be liable to repay the loan if it remains outstanding after a period of 90 days following termination of employment.

If an employee's loan has not been repaid in full at the time a takeover offer or bid is made in respect of ordinary shares in the Company, there is a provision which could allow the employee to dispose of the Plan Shares by accepting the takeover offer or bid, provided that acceptance of the offer or bid would enable the loan to be repaid in full.

Subject to any legal requirements (including listing rules), the Board may amend the terms of the Plan, but not in any way that would have the net effect of prejudicing any pre-existing rights and entitlements of participants before the variation.

Recent Amendments to Plan Terms

Under the terms of the Plan Deed, the Board has recently approved the following changes to the terms of the Plan.

- a) Removal of the provisions which authorised participation in the Plan by non-executive directors. Non-executive directors have not participated in share issues under the Plan and it is not intended that they will do so.
- b) Extension of the class of persons to whom offers may be made. This would enable, for example, offers to be made to employees of Community Bank® companies.
- c) A change in the threshold of the maximum percentage of shares that can be issued under the Plan from 7.5% to the limit under the ASIC employee share plan relief, currently 5%. This is explained above in the explanatory notes to Resolution 5.
- d) Miscellaneous amendments to the Plan, including to update and clarify the language used in the Plan rules.

Share Issues

As disclosed in the 2004 Concise Annual Report, there were approximately 2,100 "full time equivalent" employees in the Group at year-end. The Company has made the following issues of shares to employees under the Plan since the Plan was previously approved at the 2001 Annual General Meeting:

14 June 2002	1,899,760 shares @ \$7.08
25 August 2003	1,317,476 shares @ \$8.94
14 November 2003	100,000 shares @ \$8.83 (a)

(a) Issued to the Managing Director following approval at the 2003 Annual General Meeting

Recommendation: The non-executive directors recommend that shareholders vote in favour of the resolution.

7. Employee Share Ownership Plan - issue of shares to Managing Director

Under the Plan, the Company is authorised to offer shares to its employees, including the Company's Managing Director. The listing rules require shareholder approval for the issue of shares to, or the acquisition of shares by, a director of a company.

The Company's non-executive directors recently approved the issue of 300,000 shares under the Plan to Mr RG Hunt, Managing Director of the Bendigo Bank, subject to approval by shareholders at the 2004 Annual General Meeting.

The shares will be offered at their market value as determined under the plan. Further details of the offer terms are set out below.

Managing Director's performance and remuneration arrangements

The Board carefully reviews each year the remuneration arrangements of the Managing Director to make sure that the arrangements are aligned with market relativities and appropriately structured to provide the necessary short-term and long-term incentives to generate continued and sustainable growth in shareholder value.

As disclosed in the Corporate Governance section of the 2004 Concise Annual Report, the Company entered into an employment agreement (“contract”) with the Managing Director, Mr Rob Hunt, which commenced on 1 July 2001 and expires on 30 June 2007. The contract provides for a further discussion to take place with Mr Hunt in respect of his continued employment before the commencement of the last year of the current term.

Under the contract, Mr Hunt’s remuneration is structured as a consolidated arrangement incorporating both short-term and long-term performance incentives. The following are the elements of the Managing Director’s remuneration arrangements.

- 1) The gross annual salary is to include a base “cash” component together with company superannuation contributions.
- 2) As a short-term incentive, the Board sets and agrees with the Managing Director additional amounts representing an at-risk component of the gross annual salary, to be paid to the Managing Director on the achievement of agreed performance standards and financial benchmarks.
- 3) As a long-term incentive, the Managing Director is eligible to receive offers of shares under the Plan.

The key objective of the Plan is to establish a financial interest in the Company to align employee interests, including the Managing Director’s, with the strategic objectives, longer-term performance and fortunes of the Company, and hence, shareholder returns.

The performance of the Managing Director is reviewed by the Board on an annual basis after the release of the results for the financial year. The Managing Director’s performance is reviewed against the quantitative and qualitative performance criteria established by the Board a year earlier. The Board determines the following year’s performance criteria and gross annual salary for the Managing Director at the same time.

In determining the remuneration arrangements for the Managing Director, the Board has taken into account the increasing size and complexity of the Bendigo Bank group, industry and market developments impacting on the operations of the group, the resulting increased responsibilities and workload of Mr Hunt, and market and industry relativities.

It has sought to recognise the significant contribution that Mr Hunt has made to the Bendigo Bank group, including positioning Bendigo Bank for future growth, and to provide further incentive for the Managing Director to continue to improve the performance of the Bendigo Bank group over the medium to longer term.

Offer Terms

Subject to shareholder approval, the Company intends to offer 300,000 shares to the Managing Director at the average of the closing price of Bendigo Bank shares on ASX over the five trading days up to and including the day of allotment. As explained above (refer to the explanatory notes for Resolution 6), shares issued under the Plan are issued fully paid with a loan to be repaid by the application of dividends.

If the Managing Director ceases to be employed by the Company during the next two years, he will not be entitled to retain all 300,000 shares. If he ceases to be employed by the Company before the 2005 Annual General Meeting, he will only be entitled to retain 100,000 of the shares allotted and will be required to transfer the remaining shares as directed by BBS Nominees. If he ceases to be employed by the Company between the 2005 and 2006 Annual General Meetings, he will only be entitled to retain 200,000 of the shares allotted and will be required to transfer the remaining shares as directed by BBS Nominees. The Managing Director has agreed that, notwithstanding the terms of the Plan, he will not be entitled to any payment from the Company or BBS Nominees for the transfer of any shares he is not entitled to retain, other than for repayment of the loan on those shares.

Additional Information

The following information is provided in relation to the approval of the proposed issue of shares to the Managing Director, in accordance with listing rule 10.15.

- a) The name of the director of the Company participating in the Plan and to whom it is proposed that the shares will be issued is Mr RG Hunt, Managing Director. The terms of the Plan do not provide for participation by non-executive directors.
- b) The maximum number of shares that may be acquired by Mr Hunt under the proposed share issue is 300,000 shares.
- c) The price to be paid by Mr Hunt for shares acquired under the Plan is the average of the closing price of Bendigo Bank shares on ASX over the five trading days up to and including the day of allotment.
- d) Since the last approval under listing rule 10.14, at the 2003 Annual General Meeting of the Company, the only securities issued by the Company to persons referred to in that rule are as follows:

Name:	Mr Robert G Hunt (Managing Director)
Number:	100,000 shares
Price:	\$8.83 per share
- e) The only person referred to in listing rule 10.14 entitled to participate in the Plan is Mr RG Hunt (Managing Director).
- f) In accordance with the terms of the Plan, Mr Hunt will be provided with an interest free loan, by the Company, or by the company administering the Plan, BBS Nominees, to fund the purchase of the shares. Details of the terms of the loan are set out in the explanatory notes to Resolution 6.
- g) Subject to shareholder approval, it is anticipated that the shares will be issued to Mr Hunt shortly after the 2004 Annual General Meeting, but in any event, before the end of the calendar year.

Recommendation: The non-executive directors recommend that shareholders vote in favour of the resolution. The Company’s non-executive directors have determined that the total remuneration package for the Managing Director, including the proposed share allocation, is reasonable having regard to the Company’s circumstances and the duties and responsibilities of the Managing Director.



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Customer/Shareholder inquiries

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Mondays to Fridays

Bendigo Bank OnCall
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8.00am - 8.00pm AEST weekdays,
9.00am - 4.00pm AEST Saturdays,
10.00am - 4.00pm AEST Sundays

24-hour Phone Banking
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