



Notice of Extraordinary General Meeting

# Notice of Extraordinary General Meeting

Dear Shareholder,

An Extraordinary General Meeting (“EGM”) of Bendigo Bank Limited is to be held on Tuesday, 29 January 2008 at The Capital Theatre, 50 View Street, Bendigo. A formal notice of meeting is attached. The meeting will commence at 2.00 pm. Registration desks will be open from 1.15 pm. A map to assist shareholders, including car-park arrangements, is provided.

There are four matters to be considered at this meeting.

1. A proposal to change the name of the company to Bendigo and Adelaide Bank Limited. This proposal was agreed as part of the merger agreement with Adelaide Bank. Both groups of shareholders are proud of the heritage they bring to the merger and we think that is best reflected in a combined name.
2. Some amendments to the Company’s Constitution. We are proposing several amendments to the Constitution of the Company, largely to help with administrative matters.
3. A grant of performance rights to executive director Mr Jamie McPhee, to replace a grant of performance rights made by Adelaide Bank in July 2007.
4. An increase in the cap on Directors’ fees. With the increase in the size of the Board as a result of the Adelaide Bank merger, we have reached the limit we can pay. The increase to 10 non-executive directors was made to ensure we retained the knowledge and experience of both organisations, which will be crucial to a successful merger implementation. We expect that in due course the size of the Board will reduce. Directors’ fees are reviewed annually and we have no plans to change the current level of Directors’ fees before this regular review.

Details of these proposals are set out in the attached notice and explanatory information.

The barcode at the top of the attached Proxy Form will be used to register ordinary shareholders attending the EGM. Please bring the Proxy Form with you to the meeting to allow prompt registration of your attendance. Bendigo Preference Shareholders are also invited to attend the meeting, however they are not eligible to vote on the business to be considered.

If you are unable to attend the meeting, I encourage you to complete and return the attached Proxy Form by 2.00 pm on Sunday, 27 January 2008. For information on appointing a proxy see the section entitled “Information for shareholders appointing a proxy” on the reverse side of the Proxy Form.

## Questions from Shareholders

There will be opportunities to ask question that you might have about the Bank and the matters to be considered at the meeting.



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Bendigo Bank Limited  
ABN 11 068 049 178

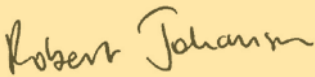
### EGM Webcast

The Company will webcast the EGM. Shareholders can listen to the meeting and view the supporting presentation by logging on to [www.bendigobank.com.au](http://www.bendigobank.com.au) from 2.00 pm on Tuesday, 29 January 2008 (please note that this does not enable you to participate in the meeting, and if you wish to vote, you will need to appoint a proxy). A test page will be on our website from Monday, 21 January 2008 and we suggest that you log on before the meeting date to make sure your PC is configured to participate in the webcast.

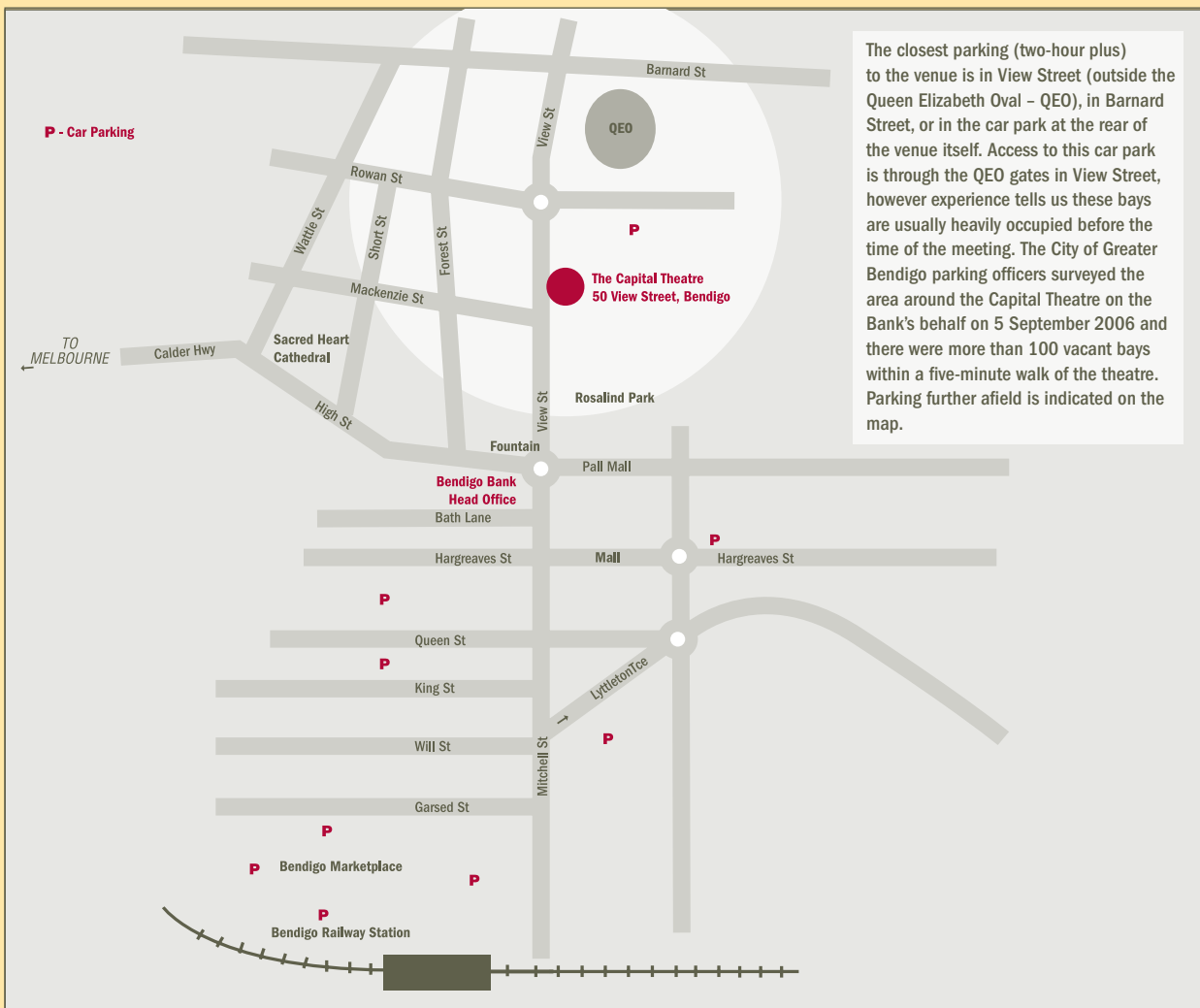
At the conclusion of the meeting, shareholders are invited to join directors and senior management for refreshments downstairs in the Banquet Room of The Capital Theatre.

I look forward to meeting as many of you as possible on Tuesday 29 January 2008.

Yours sincerely,



**Robert Johanson**  
**Chairman**



# Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of Bendigo Bank Limited (ABN 11 068 049 178) will be held at The Capital Theatre, 50 View Street, Bendigo on Tuesday, 29 January 2008 at 2.00pm.

## Business

### 1. Change of Company Name

To consider, and if thought fit, pass the following resolution as a special resolution:

“That the name of Bendigo Bank Limited be changed to Bendigo and Adelaide Bank Limited with effect on and from 31 March 2008.”

### 2. Adoption of New Constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

“That the Constitution contained in the document submitted to the meeting and signed by the Chairman for the purpose of identification is approved and adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company.”

### 3. Approval of the Executive Director's participation in the Executive Incentive Plan

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

“That the Company approve for all purposes, including ASX Listing Rule 10.14, the issue of performance rights to the Executive Director, Mr J McPhee, under the Executive Incentive Plan as described in the Explanatory Notes accompanying this Notice of Meeting, and any issues of ordinary shares upon the vesting of those performance rights.”

Note: The following voting exclusion statement applies to this resolution. In accordance with the Listing Rules, the Company will disregard any votes cast in respect of item 3 by Mr McPhee, any other Director who is eligible to participate in any Company employee incentive scheme or any of their respective associates. 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.

### 4. Increase to Non-Executive Director Fee Limit

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

“That the maximum annual aggregate amount payable to non-executive directors by way of directors' fees be increased by \$500,000 per annum to \$1,700,000 per annum.”

Note: The following voting exclusion statement applies to this resolution. In accordance with the Listing Rules, the Company will disregard any votes cast in respect of item 4 by a director of the Company or any associate of a 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 (and the acknowledgement box on the proxy form is marked).

By Order of the Board  
David Oataway  
Company Secretary  
26 November 2007

## Voting Information

### Attending the Meeting

All shareholders may attend the Extraordinary General Meeting (the “meeting”). However, only ordinary shareholders are eligible to vote on the items of business to be considered at the meeting (refer below “Voting Rights”).

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 (Cth) (the “Corporations Act”), 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 not attending, are encouraged to appoint a proxy to vote on their behalf, using the attached Proxy Form. The person appointed as the member's proxy may be an individual or a body corporate. 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 2.00 pm on Sunday, 27 January 2008 and may be returned by post using the enclosed reply paid envelope, sent to the Company's Share Registry at Level 4 The Bendigo Centre, Bendigo, Victoria, 3550 or sent by facsimile to (03) 9473 2555.

For more information on appointing a proxy, please refer to 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 ordinary shares of the Company that are quoted securities at 2.00 pm (AEST) on Sunday, 27 January 2008 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.

This Notice of Meeting is also being sent to holders of Bendigo Preference Shares. Holders of these securities may attend the meeting but are not entitled to speak or vote on any of the resolutions proposed in this Notice of Meeting.

## Explanatory Notes

The resolutions should be read in conjunction with the attached Explanatory Notes. The Explanatory Notes form part of this Notice.

## Explanatory Notes

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

### 1. Change of Company Name

As a result of the merger of the Company with Adelaide Bank Limited, and in accordance with the agreed terms of the merger, it is now proposed to change the name of the Company to Bendigo and Adelaide Bank Limited with effect on and from 31 March 2008. The deferral of the effective date for the change of Company name will allow the Company time to prepare for an orderly change to its documentation.

The Directors consider that the proposed new name of the Company reflects the coming together of two successful and complementary banking businesses. Both sets of shareholders are proud of the heritage they bring to the merger and we believe this is best reflected in the combined name.

**Recommendation:** The Directors unanimously recommend shareholders vote in favour of the change of name of the Company.

### 2. Adoption of New Constitution

A number of changes are proposed to be made to the Bendigo Bank Constitution to reflect changes to the Corporations Act 2001 (Cth), the ASX Listing Rules and developments in corporate governance best practice since the Constitution was last adopted at the Annual General Meeting in October 1999.

To assist shareholders, the proposed principal amendments to the Constitution are summarised below. A copy of the Company's Constitution, marked-up to show the proposed changes, can be obtained before the meeting from the Company's website at [www.bendigobank.com.au/egm](http://www.bendigobank.com.au/egm). Alternatively, shareholders can obtain copies by calling the Company's share registry on 1800 646 042 or by emailing [share.register@bendigobank.com.au](mailto:share.register@bendigobank.com.au). A copy of the proposed Constitution will also be available for inspection at the Extraordinary General Meeting.

## Direct Voting

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations encourage listed companies to consider the use of technology to communicate more effectively with shareholders and to improve access for shareholders unable to be physically present at meetings. One of the means suggested is for companies to consider allowing shareholders to lodge direct votes electronically, subject to the adoption of satisfactory authentication procedures. Direct voting would enable a shareholder to vote on resolutions to be considered at a meeting without the need to attend the meeting or appoint a proxy. A direct vote would usually be submitted before the meeting electronically, or by post or fax. New Rule 49 would allow the Directors to provide for direct voting, or to establish an online voting system, should they wish to provide for such voting arrangements in the future.

## Technology

It is proposed that Rule 35 of the Constitution be updated to permit general meetings to be held in more than one location, using technology that gives shareholders as a whole a reasonable opportunity to participate in the meeting.

Similarly, it is proposed that Rules 94 and 95 be updated to provide for the transmission of notices to shareholders through a variety of electronic means, as well as delivered personally or by post.

## Powers of the Chairman at general meetings

Certain procedural amendments are proposed to be made to the Chairman's powers to regulate the conduct of general meetings of the Company, including:

- introducing more practical methods of ensuring orderly conduct at meetings (Rule 41.3);
- clarifying the Chairman's powers to disregard votes where a person purports to cast a vote in contravention of the Corporations Act or Listing Rules (Rule 41.6);
- clarifying the procedure for adjournment of meetings (Rule 42); and
- clarifying the Chairman's power to declare the result of a vote on a show of hands (Rule 43.2).

## Directors' Retirement by Rotation

It is proposed that the requirement that the Directors retire from office periodically and seek re-election be amended to provide greater consistency with common corporate practice and the ASX Listing Rules. The ASX Listing Rules require Directors to retire at the third Annual General Meeting after their appointment or after three years, whichever is longer. The Constitution will no longer require one-third of the Directors to retire each year as these provisions have, in the past, sometimes required Directors to retire more frequently than is necessary.

## Appointment of Executives as Directors

The provisions relating to the appointment of executives as Directors of the Company are proposed to be consolidated and modernised in new Rule 68. It empowers the Board to appoint executives of the Company as Directors (subject to the provisions of the Constitution dealing with the appointment of Directors) and Directors as executives and to determine the terms of executive Director appointments. If a Director who is an executive of the Company ceases to be an executive, the person also ceases to be a Director unless the Board resolves that they should remain a Director until the next Annual General Meeting of the Company. The Director is required to retire at that meeting (but may seek re-election).

## Nomination of Directors for Election

Rule 69.5 of the Constitution is proposed to be amended to require nominations for election of a director to be received not less than 45 business days, nor more than 55 business days, before the meeting, (rather than between 35 business days and 45 business days before the meeting as is currently the case). This amendment is consistent with recent changes to ASX Listing Rule 14.3 and is generally accepted as a reasonable time period. The change will assist the Company to balance its obligations to produce and print notices of meeting within the time constraints under the Corporations Act while also allowing shareholders sufficient opportunity to nominate a person for election as a Director.

**Recommendation:** The Directors unanimously recommend that shareholders vote in favour of the proposed amendments to the Constitution.

## 3. Approval of the Executive Director's participation in the Executive Incentive Plan

### Background

Following the recent merger of the Company with Adelaide Bank Limited, Mr Jamie McPhee was appointed Executive Director of the Company.

Prior to the merger (in August 2007), Mr McPhee and certain other executives of Adelaide Bank were granted performance rights under an Adelaide Bank employee incentive scheme. As a result of the merger, Mr McPhee lost the benefit of those rights. Under the agreed terms of the merger, the Company committed to, in effect, replace the performance rights granted by Adelaide Bank and offer those executives (including Mr McPhee) the right to participate in an appropriate Bendigo Bank employee incentive scheme on terms which, taken as a whole, constitute an incentive package which is economically equivalent to the terms of the offer made to each of those employees to participate in the Adelaide Bank employee incentive scheme.

Listing Rule 10.14 provides that a company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. In accordance with the Listing Rules, shareholders are being asked under item 3 to approve the grant of performance rights to the Executive Director, Mr J McPhee, under the Executive Incentive Plan in the 2007/2008 financial year. The Company will discuss with Mr McPhee alternative arrangements for the long-term incentive portion of his remuneration if shareholder approval of item 3 is not granted.

The full Plan Rules will be provided to shareholders on request and are available from the Bank's internet site at [www.bendigobank.com.au](http://www.bendigobank.com.au).

## Grants to the Executive Director

Mr McPhee's employment agreement will be structured to incorporate both short-term and long-term performance incentives. The Executive Director's remuneration will be structured to place a substantial proportion of his remuneration at risk, based on the Company's performance.

The Executive Director's remuneration arrangements will comprise the following elements:

- 1) Gross annual salary – including a base “cash” component together with company superannuation contributions.
- 2) Short-term incentive – the Board sets and agrees with the Executive Director additional amounts representing an at-risk component of the gross annual salary, to be paid to the Executive Director on the achievement of agreed performance standards and financial benchmarks.
- 3) Long-term incentive – the Board may, in its discretion, invite the Executive Director to participate in any long term incentive scheme conducted by the Company.

Approval is being sought for the grant of performance rights, in two Tranches, to the Executive Director under the Executive Incentive Plan.

## Terms of grant to Executive Director

Table 1: Performance periods

	Start of initial performance period	End of initial performance period	Number of performance rights
Tranche 1	1 July 2007	30 June 2009	20,767
Tranche 2	1 July 2007	30 June 2010	20,766

### (a) Number of performance rights granted

As each performance right represents an entitlement to one ordinary share in the Company, the maximum number of shares that may be acquired by the Executive Director is equal to the number of performance rights issued (being 41,533).

The number of performance rights to be granted to the Executive Director in the 2007/2008 financial year is set out above. The performance rights will be granted for no cash consideration. If the performance conditions are met, the actual value of the grant to the Executive Director will, for each performance right, be the full value of the underlying share at the time of vesting.

### (b) Performance Conditions

The performance conditions have been set to reflect the performance conditions set in respect to the performance rights previously granted by Adelaide Bank under the Adelaide Bank employee incentive scheme and the Company's commitment to provide a replacement grant of performance rights that is economically equivalent to the terms of the offer made under the Adelaide Bank employee incentive scheme.

(i) Performance Conditions: Tranches 1 and 2

There are two separate Performance Conditions for the performance rights issued to Mr McPhee. Each Performance Condition:

1. applies to one half (50%) of the total number of performance rights granted under the grant; and
2. is applied to one half (50%) of both Tranche 1 and 2.

Performance Condition 1 is based on the Company's total shareholder return ("TSR") over a 2 year performance period for Tranche 1 and over a 3 year period for Tranche 2 (see Table 1).

Performance Condition 2 is based on the Company's compound growth in cash earnings per share ("EPS") over a 2 year performance period for Tranche 1 and over a 3 year period for Tranche 2 (see Table 1).

At the end of the relevant performance period the performance rights will vest in accordance with the following table.

Table 2: Vesting of performance rights

Performance rights subject to the TSR hurdle will vest as set out below.		Performance rights subject to the EPS hurdle will vest as set out below.	
TSR performance against Peer Group	Percentage of performance rights that vest	Company's compound growth in EPS	Percentage of performance rights that vest
Less than 50th percentile	0%	EPS growth less than 8%	0%
At 50th percentile	50% of performance rights being tested vest	EPS growth at or above 8%	25%
Between 51st percentile and 74th percentile	An additional 2% of performance rights will vest for every percentile increase	EPS growth between 9% and 13%	An additional 12.5% of performance rights will vest for every 1% increase in EPS growth
At or above 75th percentile	100%	EPS growth at or above 14%	100%

(c) Retesting

If the performance conditions for Tranche 1 are not satisfied in full at the end of the relevant performance period, they will be retested as described below.

(i) Performance Rights – TSR

Any Tranche 1 performance rights that do not vest at the end of the initial performance period will be retested on (or as soon as possible after) 1 July 2010.

(ii) Performance Rights – EPS

Any Tranche 1 performance rights that do not vest at the end of the initial performance period will be retested by comparing the cash basis EPS for the financial year ending 30 June 2010 with the cash basis EPS for the financial year ended 30 June 2007.

There are no retest periods for Tranche 2.

Any performance rights that have not vested will lapse at 5.00pm on the date that the Board considers the outcome of the testing for the performance rights and decides that the performance condition is not satisfied.

(d) Restriction Period

Any shares issued or transferred to Mr McPhee upon vesting or exercise of a performance right granted will be subject to a dealing restriction of 12 months starting on the date the shares are allocated. The shares will also be subject to an additional restriction period of up to 10 years starting from the date of grant of the performance rights and ending on the earlier of the Board waiving the additional restriction period and the tenth anniversary of the date of grant of the performance rights. The date of grant of the performance rights is, for this purpose, taken to be the date of grant of predecessor rights under the Adelaide Bank employee incentive scheme, ie 7 August 2007. The Board has discretion to waive or vary either restriction period in certain circumstances.

**Additional required information**

In accordance with ASX Listing Rule 10.15.4, the Company notes that Mr R Hunt, the Managing Director of the Company, has been granted performance rights and performance options under the Executive Incentive Plan in accordance with shareholder approval obtained at the Company's Annual General Meeting on 30 October 2006. At present, Mr Hunt and Mr McPhee are the only directors who are entitled to participate in the Executive Incentive Plan. The securities granted to Mr Hunt since the last approval are set out in the table below.

Table 3: Securities granted to Mr R Hunt under the Executive Incentive Plan

Date of grant	Number of performance rights	Number of performance options	Option Exercise Price
3 November 2006 (Tranche 1)	19,043	120,349	\$14.66
3 November 2006 (Tranche 2)	25,391	160,465	\$14.66
13 July 2007	22,523	121,538	\$15.47

Details of the shares acquired by the Managing Director and the Executive Director under the Plan will be published in each annual report of the Company relating to a year in which an award is made (including a note that approval for the acquisition of those shares was obtained under Listing Rule 10.14).

Any additional person for whom shareholder approval is required under Listing Rule 10.14 who may become entitled to participate in the Executive Incentive Plan and who is not named in this notice of meeting, must not participate in the Plan until approval is obtained in accordance with Listing Rule 10.14.

If shareholder approval is obtained, the grant to the Executive Director will be made shortly after the meeting, and in any case no later than 12 months from the date of the meeting.

**Recommendation:** The directors other than Mr McPhee recommend that shareholders vote in favour of item 3.

#### 4. Increase to Non-Executive Director Fee Limit

The Company is seeking shareholder approval to increase the maximum aggregate amount payable to non-executive directors by way of directors' fees ("fee pool") by \$500,000, from \$1,200,000 per annum to \$1,700,000 per annum. Approval for the increase is required under ASX Listing Rule 10.17 and Rule 55 of the Company's Constitution.

The Company is seeking shareholder approval to increase the fee pool for the following reasons.

The current fee pool was last reviewed in August 2005 when there were seven non-executive directors on the Company's board. As part of the Board's renewal framework, two additional non-executive directors were appointed to the board in 2006 and one non-executive director retired from the board.

At the Company's 2007 Annual General Meeting shareholders approved an amendment to the Company's Constitution to enable the Board to be reconstituted to comprise twelve directors as part of the merger between Adelaide Bank and Bendigo Bank. Approval to increase the Board's size was sought to ensure that an appropriate mix of knowledge and experience from both businesses is carried forward and represented on the Board, particularly during the merger integration phase.

In November 2007 the Company announced the restructure of its Board of directors in accordance with the terms of the merger with five Adelaide Bank directors joining the Board and two Bendigo Bank directors retiring from the Board on 30 November 2007. The Board now consists of ten non-executive directors and two executive directors. It is expected that in due course the size of the Board will reduce.

The proposed increase in the maximum amount of remuneration payable to non-executive directors takes into account the increased number of non-executive directors and the increased responsibilities and time commitments of directors (as a result of the merger of Adelaide Bank and continued business expansion). The complexity of the Company's businesses (including those of Adelaide Bank) will significantly increase as a result of the merger.

The current aggregate fee limit of \$1,200,000, which was approved by shareholders in 2005, includes superannuation and fees paid to non-executive directors for their service on Board committees and subsidiary company boards.

The Company has reviewed survey data of aggregate fee limits of companies in the banking and finance sector and companies of a similar market capitalisation. The review showed that the proposed aggregate fee limit is consistent with fee limits of companies of similar size, complexity and market capitalisation.

If Item 4 is approved, it is intended that the current annual base fee (including superannuation guarantee charge payments) will remain unchanged for the 2008 financial year. The fee arrangements will be reviewed in June 2008 in accordance with the Board's policy and will take into account survey data and peer analysis to determine the level of director fees paid in the market by companies of relatively comparable size and complexity, including the banking and finance sector, and to ensure that fees and payments reflect the demands and the scope of responsibilities of Directors.

A review of non-executive director fee arrangements was conducted in July 2007 based on survey data and analysis of companies in the finance sector. The review identified that the Company's director fee arrangements at that time were well below fee payments of companies of comparable size and market capitalisation.

The annual fees paid to non-executive directors will be disclosed in the annual remuneration report which is considered by shareholders at the Company's annual general meeting.

**Recommendation:** The Directors believe this proposal is in the best interest of the Company but will not vote their shares given the personal interest of the non-executive directors. The Chairman intends to vote undirected proxies in favour of this resolution.

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Bendigo Bank Limited ABN 11 068 049 178

(S17281) (12/07)