

Bendigo and Adelaide Bank Limited

ACN 068 049 178
ABN 11 068 049 178

Employee Share Grant Scheme

Adopted September 2008; amended February
2010

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Employee Share Grant Scheme

(Employee Share Plan)

This Employee Share Grant Scheme (Employee Share Plan) is established for the benefit of employees of Group Companies. This includes the Company, its subsidiaries and other companies decided by the Board for this purpose.

The purpose of the Plan is to encourage equity ownership in the Company by employees. The Plan is designed to align part of the rewards of Participants with the strategic long term goals and performance of the Company and seeks to encourage the contribution of employees to the creation of shareholder wealth. It aims to achieve those objectives through the following.

- (a) Providing a long term rewards structure that is valued by staff.
- (b) Producing a better and more productive workplace within the Bendigo and Adelaide Bank Group.
- (c) Providing employees with a sense of ownership and an opportunity to share in their contribution to the future success of the Group.

It is intended that the Plan will be conducted as a non-discriminatory employee share scheme open to at least 75% of the permanent employees of the Group Companies.

Section A – Terms applying to invitation

1 Invitations

1.1 Invitation and Application for Eligible Employees to apply for Shares

- (a) From time to time the Board may invite (or arrange an invitation for) Eligible Employees to apply to acquire Shares. The invitation will be made in writing and may relate to a specified number or value of Shares.
- (b) The terms that apply to the invitation and the Shares are those set out in this Plan and in any additional terms the Board decides. The terms need not be the same for each Eligible Employee to whom an invitation is made. The terms that apply to the invitation and the Shares may require that the Eligible Employee agree to sacrifice an amount of salary or bonus or other amount in relation to the acquisition of the Shares.
- (c) An Eligible Employee who receives an invitation may elect to participate in the Plan by completing and returning the Application attached to the

invitation within the period set out in the invitation. The Application must be in the name of the Eligible Employee.

- (d) By completing an Application, the Eligible Employee agrees as follows.
- To be bound by the terms of these rules and by any additional terms noted in the invitation.
 - To become a shareholder in the Company (and therefore be bound by the constitution of the Company).
- (e) The Board may accept or reject any Application.
- (f) The Board may accept an Application from an Eligible Employee only if, at the time the Application is received, the Eligible Employee satisfies any conditions imposed by the Board.

Example of a condition that may be imposed: The Eligible Employee is an employee of a Group Company at the time of the application.

- (h) The Board accepts an Application by telling the Eligible Employee the number or value of Shares that have been (or will be) allocated to the Eligible Employee, the Acquisition Price of the Shares and the Allocation Date.

1.2 Information that the Board will give to Eligible Employees

When the Board invites an Eligible Employee to apply for Shares, the Board must give the Eligible Employee at least the following information.

- (a) The number of Shares or maximum value of Shares.
- (b) The date and time when Applications must be received by the Company.
- (c) The method of determining the Acquisition Price.
- (d) The period (if any) for which Shares are Restricted Shares.
- (e) Any other relevant conditions to be attached to the Shares.

Example of a condition: Any restrictions on transfer of Shares.

2 Funding for and Acquisition of Shares

2.1 Board discretion as to source of funds

- (a) In relation to each invitation made under the Plan, the Board must decide the source of funds for the acquisition of the Shares to which the invitation relates.
- (b) The relevant sources of funds for the acquisition of the Shares to which an invitation relates include the following.
- (1) All, or any, Group Companies paying specified amounts under the Plan as directed by the Company in respect of an invitation under the Plan.

Note: This source of funds includes salary sacrifice or bonus sacrifice arrangements.

- (2) Participants paying specified amounts under the Plan as directed by the Company in respect of an invitation under the Plan.
- (3) The Company providing additional benefits in the form of Shares for any Participant based on the level of their participation or on such terms as Board decides.

2.2 Acquisition

- (a) The Board will decide the source of Shares to which an invitation relates, which may include the following.
 - (1) Subscription for new Shares to be issued by the Company.
 - (2) Purchase of existing Shares (whether on ASX, or otherwise).
- (b) Amounts paid by a Group Company or by a Participant in accordance with rule 2.1 are to be applied on an Allocation Date in acquiring Shares at the Acquisition Price for allocation to (or to the Trustee on behalf of) Participants in the manner directed by the Board.
- (c) Unless the Board decides otherwise, Shares issued to, or purchased by or on behalf of or for the benefit of, a Participant under the Plan are to be held by the Trustee on behalf of the Participant in accordance with these rules.
- (d) Subject to paragraph (e), any direction of the Company to subscribe for or purchase Shares for or on behalf of a Participant must be complied with by the Trustee.
- (e) A direction from the Company to the Trustee to subscribe for or purchase Shares is only effective if the funds referred to in rule 2.1 are provided.

2.3 Advice to Participants

Each Participant will be advised of the number of Shares that have been allocated to him or her or on his or her behalf as soon as reasonably practicable following the relevant Allocation Date or Allocation Dates applying to an invitation.

2.4 Participant's entitlements and benefits

- (a) From an Allocation Date, the Participant will be beneficially entitled to the Shares held by or on his or her behalf, and will be entitled to vote, receive notices issued to shareholders by the Company and to receive dividends paid on the Shares. Each Participant is at all times absolutely entitled to those Shares as against the Trustee, except that any Dealings with the Shares by the Participant will be restricted as provided in these rules.
- (b) Shares cannot be forfeited by a Participant for any reason.

2.5 Rights, entitlements and ranking of Shares

Any Shares allocated under the Plan will rank equally in all respects with other Shares for the time being on issue. However, this does not apply in the following circumstances.

- (1) In relation to any rights attaching to other Shares by reference to a record date before the date of allotment of the Shares under the Plan.
- (2) If these rules provide otherwise in a particular circumstance.

2.6 Application for quotation of Shares issued under the Plan

The Company will apply for quotation of Shares issued under the Plan within the time period required by ASX.

3 Restriction on Dealing in Shares

3.1 Restriction Period

A Share allocated to or on behalf of a Participant will be a Restricted Share until the earlier of the following.

- (a) The end of 3 years after the date of allocation.
- (b) When the employment of the Participant with any Group Company ends.

3.2 No disposal while Shares restricted

A Participant must not dispose of or otherwise Deal or purport to Deal with any Shares acquired under the Plan while they are Restricted Shares.

3.3 Enforcement of Restriction Period

The Board may implement any procedure it considers appropriate to restrict a Dealing.

3.4 Lapse of restrictions attaching to Shares and transfer to Participant

When a Share stops being a Restricted Share, all restrictions on disposing of or otherwise Dealing or purporting to Deal with that Share provided in or under these rules will end, and the Trustee will transfer the Share into the Participant's name. This rule applies unless the terms provide otherwise in a particular circumstance.

Note: A Participant who wishes to have their Shares released from trust, or sold, must satisfy any procedures the Board decides in respect of that request, including any procedures required to be satisfied in relation to any forfeiture condition.

4 Corporate actions

4.1 Reconstructions

If the Company reconstructs its capital in any way, Shares acquired under the Plan will be affected in the same way as other Shares.

4.2 Takeover

The Board may, having regard to the requirements of the Tax Act, decide that any restrictions imposed under rule 3 end at a time decided by the Board in the following circumstances.

- (a) If a Takeover Bid is made.
- (b) If the Board recommends that a Takeover Bid be accepted.
- (c) If a Takeover Bid is declared to be unconditional.

Note: During a restriction period, a Participant may not voluntarily accept a Takeover Bid in respect of Restricted Shares unless the bidder under the Takeover Bid exercises its right to compulsorily acquire all remaining Shares in the Company.

4.3 Compromise, arrangement, merger

The Board may, having regard to the requirements of the Tax Act, decide that any restrictions imposed under rule 3 end at a time decided by the Board in the following circumstances.

- (a) A Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.
- (b) Any person becomes bound or entitled to acquire shares in the Company under section 414 of the Corporations Act (upon a scheme of arrangement being approved).
- (c) The Company merges with another Company.
- (d) The Company passes a resolution for voluntary winding up.
- (e) An order is made for the compulsory winding up of the Company.

Note: During a restriction period, a Participant may not voluntarily surrender Restricted Shares under a share buy-back or reduction of capital.

Section B – General Plan terms

5 Amendments

5.1 Power to amend Plan

The Board may at any time resolve to amend all or any of the provisions of the Plan, or the terms or conditions attaching to any Shares granted under the Plan. However, this power is restricted by rule 5.2.

5.2 Restrictions on amendments

The Board cannot, without the Participant's consent, amend the rules or any other terms or conditions attaching to any Share granted under this Plan which reduces the rights of the Participant in respect of that Share. However, this restriction does not apply to an Amendment introduced primarily for any of the following purposes.

- (a) Complying with or conforming to present or future State or Commonwealth legislation or Listing Rules governing or regulating the maintenance or operation of the Plan or like Plans.
- (b) Correcting any manifest error or mistake.
- (c) Taking into consideration possible adverse tax implications to a Participant or a Group Company in respect of the Plan arising from any change in relation to taxation matters.

Example: An adverse ruling from the Commissioner of Taxation, a change to tax legislation (including an official announcement by the Commonwealth of Australia), a change in the interpretation of tax legislation by a court of competent jurisdiction.

5.3 Notice of Amendment

As soon as reasonably practicable after the Board makes any amendment under rule 5.1, it will give notice of that amendment to any Participant affected by the amendment.

5.4 Non-Australian residents

When a Share is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply. However, the Board may alter the Plan as it decides having regard to any laws, matters of convenience and desirability and to similar factors which may apply to the Participant or to any Group Company in relation to the Share.

6 Miscellaneous

6.1 No impact on rights of Participant

Nothing in this Plan does any of the following.

- (a) Confers on an Eligible Employee the right to receive an invitation under the Plan or to receive any Share before a Share is granted to the Eligible Employee under the terms of the Plan.
- (b) Confers on any Participant the right to continue as an employee in any Group Company or any rights a Group Company may have to end the employment of a Participant.
- (c) Confers any right to increase compensation or damages in any action brought against any Group Company in relation to a Group Company that ends the employment of a Participant.
- (d) Forms part of, or is incorporated into, any contract of any Eligible Employee.

6.2 Power of the Board

- (a) The Board administers the Plan and has power to do each of the following.
 - (1) Decide appropriate procedures for administering the Plan consistent with these Plan rules.
 - (2) Delegate to any one or more persons the exercise of any of its powers or discretions under the Plan. The Board may delegate for any period and on any conditions it decides.
 - (3) Appoint, remove or replace a trustee to hold - in accordance with this Plan - Shares issued or transferred under this Plan on behalf of a Participant.
- (b) The Board has absolute and unfettered discretion to act, or refrain from acting, as follows.
 - (4) Under or in connection with the Plan or any Shares granted under the Plan.
 - (5) In the exercise of any power or discretion under the Plan.
- (c) The Board may resolve conclusively all questions of fact or interpretation concerning the Plan and these rules, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares allocated under the Plan.
- (d) The only restrictions are set out in this Plan, the Listing Rules and as provided by law.

6.3 Waiver of terms and conditions

- (a) The Board may at any time waive in whole or in part any terms or conditions in relation to any Shares.
- (b) The Board may amend, add to or waive all or any of the provisions of the Plan (including this rule), or any restriction or other condition relating to any Shares allocated under the Plan.
- (c) The Board may waive any breach of a provision of the Plan.

6.4 Dispute or disagreement

The decision of the Board is final and binding in relation to any dispute or disagreement about the interpretation of this Plan, or about any question or right arising from or related to the Plan or to Shares granted under it.

6.5 Communication

- (a) Any notice or other communication under or in connection with this Plan must be in writing.
- (b) A document is to be treated as given to a person if it is left at, or is sent by post, fax or email, to the address, fax number or email address as set out below:
 - (1) in the case of the Company or any other company, to its registered office, or any address, fax or email address notified under this clause;
 - (2) in the case of the Trustee, to the person nominated by the Trustee at the Trustee's registered office (or any other address the Trustee specifies); and
 - (3) in the case of an Eligible Employee or Participant or their representative, either to his or her last known residential address, fax or email address or to the address of the place of business at which the person performs the whole or substantially the whole of the duties of the person's office or employment.
- (c) The time that the document is to be treated as being given is as follows:
 - (1) if it is delivered, then at the time of delivery;
 - (2) if it is posted and properly addressed and stamped, then on the second business day at the place of address after posting;
 - (3) if it is faxed, then when it is received. A successful fax transmission report is sufficient proof of the time of receipt; and
 - (4) if it is emailed, when it is sent.
- (d) Each Participant delegates to the company secretary of the Company the power to complete any form on behalf of the Participant which is required to be completed for the purposes of participation in the Plan.

6.6 Costs and charges

- (a) The Company will bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the issue or transfer of Shares to or on behalf of, each Participant.
- (b) Costs associated with disposing of Shares will be the responsibility of each individual Participant.

6.7 Laws governing Plan

The Plan and any Shares allocated under it are governed by the laws of Victoria and the Commonwealth of Australia.

7 Definitions and interpretation

7.1 Definitions

The following expressions have the meaning set out below.

Expression	Meaning
Acquisition Price	The 5 day volume weighted average share price (VWAP) of Shares as traded on ASX in the one week before and ending on the Allocation Date, unless the Board decides another price (which may include the Board determining that the Acquisition Price is nil).
Allocation Date	The date on which the Shares are allocated to or on behalf of a Participant.
Amend	Includes change and add to.
Application	An application to participate in the Plan and to acquire Shares.
ASX	ASX Limited.
Board	The board of directors of the Company.
Company	Bendigo and Adelaide Bank Limited ACN 068 049 178.
Dealing	Any event concerning the disposal or acquisition of a Share by way of sale, transfer, mortgage, pledge, assignment, alienation or creation of a security.
Eligible Employee	A person employed by, or on behalf of, a Group Company who the Board decides is eligible to receive grants of Shares under the Plan.
Group Company	The Company, its Subsidiaries and any other entity the Board decides to treat as a member of the group for the purposes of

Expression	Meaning
	the Plan.
Listing Rules	The Listing Rules of ASX as they apply to the Company from time to time.
Participant	A person who is allocated a Share under the Plan. Note: A person will remain a Participant if they change employment from one Group Company to another. Note: If Shares are allocated to a trustee on behalf of a person under the Plan, that person is a Participant.
Plan	The Employee Share Grant Scheme as set out in these rules and any amendments made under rule 5.
Restricted Share	A Share allocated under the Plan that is subject to restrictions under rule 3.
Share	A fully paid ordinary share in the capital of the Company.
Subsidiary	The meaning given in section 9 of the Corporations Act 2001 (Cth)
Takeover Bid	The meaning given in section 9 of the Corporations Act 2001 (Cth).
Tax Act	For offers made and accepted prior to 1 July 2009 means The Income Tax Assessment Act 1936 (Cth); for offers made and accepted on or after 1 July 2009 means The Income Tax Assessment Act 1997 (Cth).
Trust Deed	The trust deed made between the Company and the Trustee for the purposes of the Plan, as amended from time to time.
Trustee	The Trustee under the Trust Deed.

7.2 Interpretation

- (a) Any reference in the Plan to any enactment or the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced.
- (b) Any words denoting the singular include the plural and words denoting the plural include the singular.
- (c) If any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning.
- (d) Any reference to the Board includes the Board, any committee of the Board, or any person or body to which the Board has delegated its powers under this Plan.
- (e) Headings form part of the terms of the Plan. Examples and notes do not form part of the terms of the Plan.