

Bendigo & Adelaide Bank Limited

Notice of Annual General Meeting 2023



**Bendigo and
Adelaide Bank**

12 September 2023

Dear Shareholder,

On behalf of the Board, I am pleased to invite you to attend the 2023 Annual General Meeting (**AGM**) of Bendigo and Adelaide Bank Limited (**the Bank**) which will be held at the Capital Theatre Bendigo on **Tuesday, 24 October 2023 at 11.00 am (AEDT)**.

As in 2022, we will be holding a hybrid meeting. This means you can attend, vote, and ask questions in person at The Capital Theatre in Bendigo, or virtually through our online portal. Details on how to attend and participate, and the resolutions being put to shareholders are set out in the enclosed Notice of Meeting for the AGM. Shareholders are encouraged to submit votes and ask questions ahead of the meeting.

At the meeting, our Chief Executive Officer and Managing Director, Marnie Baker, and I will provide a brief update on the performance of the Bank over the last year and outline to you the Bank's future focus areas. We will then proceed to the formal items of business for consideration.

For a detailed overview of the Bank's performance and operations for the year ended 30 June 2023, we encourage you to read the 2023 Annual Financial Report prior to the AGM. The 2023 Annual Financial Report and Sustainability Report is on our website at:

www.bendigoadelaide.com.au/investor-centre/reports

This will be my final Annual General Meeting with my time at Bendigo and Adelaide Bank coming to an end. I have served as a Director of the Bank for more than 12 years and as your Chair for the last four years, which has been a highlight of my career.

David Foster, as an existing member of the Board, is well qualified to continue working with the Executive Team and I am pleased he will be your new Chair. Rest assured your Bank is in good shape and I will continue to take a keen interest in its progress. I'd like to thank you for your support.

On behalf of the Board, we look forward to meeting as many of you as possible.

If you can attend in person, we invite you to join us for light refreshments after the AGM.

Regards

Jacqueline Hey

Chair, Bendigo & Adelaide Bank Limited

Getting to the AGM



Notice of Meeting

The 2023 Annual General Meeting (AGM) of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the **Bank**) will be held on **Tuesday, 24 October 2023 at 11:00am (AEDT)** as a hybrid meeting where shareholders can attend and participate in person at The Capital Theatre in Bendigo or online.

There are four ways shareholders and proxyholders can attend and vote at the AGM:

1. Attend in person

Join us at The Capital Theatre, 50 View Street, Bendigo, Victoria.

In person registrations will start at **10am (AEDT) on Tuesday, 24 October 2023**.

2. Attend online

Join at <https://web.lumiagm.com/384101785> using the web browser on your device (using the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox).

Online registration will open at **10am (AEDT) on Tuesday, 24 October 2023**.

Meeting ID is: 384101785

Your Username is the Voter Access Code (VAC) as shown on your Direct Voting / Proxy Form¹.

Password for Australian residents is the postcode of the registered holding.

Password for Overseas residents is the three-character country code which can be found at:

<https://www.bendigoadelaide.com.au/agm2023>.

Appointed proxies / attorneys / corporate representatives can contact our share registry, Boardroom to obtain a username and password, on 1300 032 762 (within Australia) or +61 2 8023 5417 (internationally) or by email proxy@boardroomlimited.com.au to pre-register and to obtain log in details.

1. If you have received more than one Direct Voting / Proxy Form for different shareholdings then you will need to log in separately for each holding using the corresponding Voting Access Code and postcode on the Direct Voting / Proxy Form to vote during the virtual AGM.

For more information on voting, proxies and how to ask questions, please refer to the Explanatory notes in the Notice of Meeting on page 12.

3. Listen by telephone

Dial (03) 4159 8001 or +61 3 4159 8001 (from outside Australia) to listen to the AGM.

4. Listen and watch the webcast

Listen and watch the AGM live on the Bank's website by visiting the link at: <https://www.bendigoadelaide.com.au/agm2023> on any device.

Note: If you attend by telephone or webcast, you will not be able to vote or ask questions at the AGM.

Please see pages 12 and 13 of this Notice of Meeting on how to vote and ask questions prior to the AGM.

Need help?

A User Guide on how to attend and vote at the AGM is available at:

<https://www.bendigoadelaide.com.au/agm2023>.

If you have any other questions about the AGM, please call 1300 032 762 or +61 2 8023 5417 for assistance.



Notice of Meeting Agenda

Items of business

1. Financial statements

To receive and consider the Bank's Financial Report, Directors' Report and Independent Auditor's Report for the financial year ended 30 June 2023.

2. Election of Patricia Margaret Payn as a director

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

That Patricia Margaret Payn, who retires from office under Rule 59 of the Bank's Constitution, be elected as a director of the Bank.

3. Adoption of the Remuneration Report

To consider, and if thought fit, pass the following as a non-binding ordinary resolution:

That the Remuneration Report for the Bank as set out in the Annual Financial Report for the year ended 30 June 2023 be adopted.

The vote on this item is advisory only and does not bind the Company or its Directors.

4. Approval of the grant of performance rights to the Chief Executive Officer and Managing Director

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

That approval be given, for all purposes, to the grant of 122,641 performance rights to the Chief Executive Officer and Managing Director (CEO & MD), Marnie Baker, as her long-term incentive for the financial year ended 30 June 2024 under the Bank's Omnibus Equity Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting.

Special Business

5. Approval of selective capital reduction schemes in respect of Converting Preference Shares 4 (CPS4)

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

- (a) *That the terms and conditions of the selective capital reduction in respect of CPS4 on the Optional Exchange Date of 13 June 2024 on the terms and conditions described in the Explanatory Notes accompanying this Notice of Meeting (the **First Capital Reduction Scheme**) be approved.*
- (b) *That the terms and conditions of the selective capital reduction in respect of CPS4 at any time prior to the Optional Exchange Date of 13 June 2024 on the terms and conditions described in the Explanatory Notes accompanying this Notice of Meeting (the **Second Capital Reduction Scheme**) be approved.*

Chair's voting intention

The Chair of the Meeting intends to vote undirected proxies in favour of all the resolutions proposed.

Voting Exclusions

Item 1 - There is no vote on this item of business.

Item 2 - There is no voting restriction on this item.

Item 3 - Adoption of the Remuneration Report

Votes may not be cast, and the Bank will disregard any votes cast, on the resolution proposed in Item 3:

- by or on behalf of a member of the Bank's Key Management Personnel (**KMP**) listed in the Remuneration Report (and their closely related parties); or
- as a proxy by a person who is a member of the Bank's KMP at the date of the meeting or their closely related parties,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form;
- or
- by the Chair of the meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair decides even though Item 3 is connected with the remuneration of the Bank's KMP.

Item 4 - Approval of the grant of performance rights to the Chief Executive Officer and Managing Director

Votes may not be cast, and the Bank will disregard any votes cast, on the resolution proposed in Item 4:

- by or on behalf of Marnie Baker or any of her associates; or
- as a proxy by a person who is a member of the Bank's KMP at the date of the meeting or their closely related parties,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chair of the meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair decides even though Item 4 is connected with the remuneration of a member of the Bank's KMP.

For the purposes of the above voting exclusions:

- **Key Management Personnel** or **KMP** has the meaning given to key management personnel in the Corporations Act 2001 (Cth) and the Accounting Standards;
- **closely related party** has the meaning given in the Corporations Act 2001 (Cth); and
- **associate** has the meaning given in the ASX Listing Rules.

Each of 'closely related party' and 'associate' include a spouse and certain close family members, as well as any related companies controlled by the KMP.

Items 5(a) and 5(b) – Approval of selective capital reduction schemes in respect of Converting Preference Shares 4 (CPS4)

Subject to the exclusions noted below:

- all holders of ordinary shares are eligible to vote on the resolution in Item 5(a); and
- all holders of ordinary shares and Converting Preference Shares 4 issued by the Bank in December 2017 (**CPS4**) are eligible to vote on the resolution in Item 5(b).

However, under the *Corporations Act 2001* (Cth) the Bank is required to disregard any votes cast in favour of the resolution in Item 5(b) by a person who is to receive consideration as part of the capital reduction (ie, a holder of CPS4) or by their associates. These voting restrictions apply not only to that person's CPS4 holdings but also to their other shareholdings in the Bank (including ordinary shares).

The table below sets out how a shareholder may vote on the resolutions in Items 5(a) and 5(b) depending on their holding of ordinary shares and CPS4:

If you hold	You can vote on the following Items	You can vote in the following ways
Ordinary shares only	Items 5(a) and 5(b)	For, against, abstain
Ordinary shares and CPS4	Ordinary shares – Items 5(a) and 5(b)	Against or abstain
	CPS4 – Item 5(b)	Against or abstain
CPS4 only	Item 5(b)	Against or abstain

For more information and instructions on voting on the above resolutions, please see the Explanatory Notes and further information about the meeting in this Notice of Meeting.

By Order of the Board

Belinda Donaldson

Company Secretary, Bendigo & Adelaide Bank Limited

12 September 2023



Explanatory Notes – Resolutions

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

1. Financial statements

The Bank's 2023 Annual Financial Report (which includes the Financial Report, the Directors' Report and the Auditor's Report) for the financial year ended 30 June 2023 is available at:

www.bendigoadelaide.com.au/investor-centre/reports

The Annual Financial Report is presented to the AGM as required by the Corporations Act 2001 (Cth), but there is no requirement for shareholders to approve the Annual Financial Report. Accordingly, there is no vote on this item of business. Shareholders will have a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Report and the management of the Bank at the AGM. The Chair will also allow a reasonable opportunity for shareholders to ask questions to the external auditor relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Bank in relation to the preparation of the Annual Financial Report and the independence of the external auditor.

In addition to the opportunity to ask questions at the AGM, written questions to the external auditor about the content of the Auditor's Report and the conduct of the audit of the Annual Financial Report may be submitted up to the date that is five business days before the AGM using any of the methods set out in the voting information section below. The questions will be passed on to the external auditor. In addition, a reasonable opportunity will be allowed at the AGM for the external auditor or its representative to answer the questions that have been submitted.

2. Election of Patricia Margaret Payn as a director

(Patricia) Margaret Payn will join the Board on 14 September 2023 as an independent Non-executive Director. She is an executive with extensive global experience across financial services including retail banking, institutional banking and wealth management. Margaret has significant non-executive experience covering publicly listed companies, subsidiaries of large, listed companies and responsible entities for investment schemes and trusts for both public and private markets. She has extensive global experience, having worked in Australia, Asia and the UK.

Margaret's most recent executive position was AMP Capital's Chief Financial Officer and Chief Operating Officer for the asset management division. She has held roles as Group Managing Director of Strategy and Marketing at ANZ Banking Group and senior finance roles across ANZ, Westpac, and Citigroup Australia. Prior to that, Margaret held senior finance and operational roles in Asia, London and Australia.

Margaret will be a member of the Board Risk Committee and the Board Financial Risk Committee.

In accordance with the Bank's Responsible Person Policy, Banking Executive Accountability Regime (BEAR) Policy, and Board Policy, the Board assessed Margaret to be 'fit and proper' to hold the positions of Responsible Person and Accountable Person of the Bank. The Board considers that Margaret's considerable experience, relevant knowledge and skills, will be of significant benefit to the Board.

Prior to her appointment and submitting herself for election, Margaret confirmed that she would have sufficient time to properly fulfil her director duties for the Bank. In accordance with the Bank's policy on independence for non-executive directors, the Board has determined that she is independent.

Recommendation: The Board unanimously recommends that shareholders vote in favour of this resolution.

3. Adoption of the Remuneration Report

The Annual Financial Report for the financial year ended 30 June 2023 contains the Remuneration Report, has been submitted to shareholders for consideration and adoption. A copy is available at: www.bendigoadelaide.com.au/investor-centre/reports. A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM before members are asked to vote to adopt the Remuneration Report. A presentation will be given by Vicki Carter, Chair of the Board People, Culture and Transformation Committee and Vicki will be available to answer any questions relating to the Remuneration Report.

The vote on this resolution is advisory only and does not bind the Bank or its directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Bank.

Recommendation: Noting that each director has a personal interest in their own remuneration from the Bank, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour this resolution.

4. Approval of the grant of performance rights to the Chief Executive Officer and Managing Director (CEO & MD)

The Board is seeking the approval of shareholders for the grant of 122,641 performance rights under the Omnibus Equity Plan to the CEO & MD that will form part of her FY24 remuneration package and long-term incentive (LTI) opportunity.

Shareholder approval under ASX Listing Rule 10.14 is not required in relation to this grant as any shares allocated to the CEO & MD on the vesting of the performance rights will not be issued by the Company but will be acquired on-market. However, the Board is seeking shareholder approval of this grant in recognition of the importance of shareholder engagement on key remuneration issues, such as the remuneration of the CEO & MD.

If shareholders do not approve the grant of these performance rights at the AGM, it is intended that an equivalent LTI award will be provided to Marnie Baker in cash, subject to the same performance and service conditions outlined below.

The Board believes the CEO & MD should maintain a substantial shareholding in the Bank and receive part of her remuneration in performance rights if certain conditions are met. The Board also considers it appropriate to proceed with granting a performance rights award measured against both financial and non-financial measures that align with, and support, long term shareholder returns and value creation.

Under the Omnibus Equity Plan, eligible executives are granted performance rights. Each performance right represents the right to receive one share subject to the satisfaction of any vesting and exercise conditions that the Board determines should apply to the award. The Board can elect to satisfy any vesting through the allocation of shares or with an equivalent cash payment.

The performance rights are granted at no cost, and the exercise price is nil. Before vesting, the Performance Rights do not carry any dividend or voting rights or the right to participate in the issue of new shares (such as rights or bonus issues).

When assessing performance outcomes, the Board can adjust the number of performance rights downwards (including to zero) in the event of misconduct resulting in significant financial and/or reputational impact to the Bank and in other circumstances considered appropriate.

Explanatory Notes – Resolutions continued

CEO & MD remuneration for FY24

Following a review of the CEO & MD's total remuneration the Board has agreed to a modest increase in her variable reward opportunity. For FY24 the CEO & MD will have a maximum STI opportunity of 65% of fixed remuneration (an increase from 60%) and an LTI grant of 65% of fixed remuneration (an increase from 40%). The Board believes that this appropriately balances the mix of short-term and long-term incentives, is consistent with the Bank's remuneration philosophy, and with market practice. The CEO & MD's total remuneration package for FY24 is comprised of the following:

1. Total Fixed Remuneration of \$1,600,000.
2. Variable remuneration comprising of:
 - a) a short-term incentive with a target opportunity of 50% and a maximum opportunity of 65% of Total Fixed Remuneration; and
 - b) an LTI award of performance rights equivalent to 65% of Total Fixed Remuneration, subject to financial and non-financial performance hurdles.

The Board is not seeking shareholders to approve the CEO & MD's FY24 remuneration but rather a grant of performance rights that will inform part of the FY24 remuneration package and LTI opportunity.

Terms of the LTI award

Consistent with the Bank's remuneration strategy, the terms of the LTI award are designed to:

- Align remuneration and accountability with the interests of shareholders by rewarding the delivery of sustained performance over the long term;
- Ensure remuneration is competitive and aligned with market remuneration in the financial services industry; and
- Encourage prudent risk taking that supports the achievement of long-term results for shareholders.

Number of performance rights granted	122,641										
Value of opportunity	\$1,040,000 being 65% of Total Fixed Remuneration										
Performance measures	<p>The scorecard is a mixture of financial and non-financial measures.</p> <table> <tr> <th>Measure</th><th>Weighting</th></tr> <tr> <td>Relative TSR - against ASX S&P100 Financials</td><td>40%</td></tr> <tr> <td>Target Return on Equity for the period</td><td>25%</td></tr> <tr> <td>Relative customer NPS – measured against retail bank peers</td><td>20%</td></tr> <tr> <td>RepTrak Reputation index – measured against financial services peers</td><td>15%</td></tr> </table>	Measure	Weighting	Relative TSR - against ASX S&P100 Financials	40%	Target Return on Equity for the period	25%	Relative customer NPS – measured against retail bank peers	20%	RepTrak Reputation index – measured against financial services peers	15%
Measure	Weighting										
Relative TSR - against ASX S&P100 Financials	40%										
Target Return on Equity for the period	25%										
Relative customer NPS – measured against retail bank peers	20%										
RepTrak Reputation index – measured against financial services peers	15%										
Performance period	1 July 2023 – 30 June 2027 (4-years)										
Vesting schedule	<p>The grant will vest in three equal tranches:</p> <p>Tranche 1: 1 July 2023 – 30 June 2027 (4-years)</p> <p>Tranche 2: 1 July 2023 – 30 June 2028 (5-years)</p> <p>Tranche 3: 1 July 2023 – 30 June 2029 (6-years)</p>										
Adjustments	Subject to downward adjustments through a risk assessment and / or consequence management process and the Clawback and Malus Policy applies.										

The Board is proposing that the performance rights be issued after the 2023 Annual General Meeting, but in any event, within 12 months after the date of the 2023 Annual General Meeting.

The number of performance rights to be granted has been calculated by dividing the dollar value of the LTI award (being \$1,040,000) by the arithmetic average of the daily volume weighted average price of fully paid ordinary BEN shares sold on the ASX in the ordinary course of trading for the five trading days prior to 1 July 2023 (being \$8.48).

The performance rights will be subject to the four performance measures described in more detail below. Performance is measured over the four-year period from 1 July 2023 - 30 June 2027 (**the Performance Period**). The measures operate independently and will be tested at the end of the Performance Period.

The performance rights are also subject to a service condition that requires the CEO & MD to be employed by the Bank at the end of the applicable vesting period. Except as explained below, if the service condition is not met, the performance rights will not vest irrespective of the outcome of the testing under the vesting conditions described below, unless the Board exercises its discretion otherwise.

Subject to performance against the performance measures and provided the other conditions have been met, the performance rights will vest in three approximately equal tranches. The first tranche will vest at the conclusion of the Performance Period (30 June 2027), and the second and third tranches will vest one year (30 June 2028) and two years (30 June 2029), respectively, following the end of the Performance Period.

On vesting, the CEO & MD will be allocated one share for each performance right that vests, notwithstanding the Board has the discretion to settle the award with a cash payment. Any performance rights that do not vest will lapse.

In addition to the adjustments described above, the Board may make any additional risk adjustment to consider the outcomes of business activities, the risks related to the business activities and the time necessary for the outcomes of those business activities to be reliably measured. The vesting is also subject to the discretion of the Board to determine otherwise.

Performance Measures and Vesting Conditions

The LTI award will be granted in four tranches, with each tranche subject to a different performance measure:

Performance Measure	Weighting	Number of performance rights
Relative Total Shareholder Return (rTSR)	40%	49,056
Return on Equity	25%	30,660
Relative Net Promoter Score (NPS)	20%	24,528
Reputation index	15%	18,397

Relative Total Shareholder Return (rTSR)

Total shareholder return (**TSR**) is measured by taking into account the increase in the Bank's Share price over the 4-year Performance Period, plus the dividends paid on Shares over that period (on the assumption that they are reinvested in Shares). Relative TSR is then determined by ranking the Bank's TSR relative to a peer group of financial sector companies on the ASX S&P100 (based on the GICS code at the start of the Performance Period).

Prior to FY23 the Bank used a peer group of the ASX100 (excluding property trusts and resources companies). As part of the review of the Executive reward framework undertaken in FY22, the Board determined that for FY23 and beyond a narrower peer group of financial services companies is more appropriate.

In addition, a positive TSR threshold applies, meaning that regardless of the relative TSR performance that tranche will not vest if TSR is negative over the period. Subject to the other conditions and the Board discretions described in these Explanatory Notes, the proportion of performance rights that will vest will be determined in accordance with the following table:

rTSR performance against peer group	Percentage of performance rights that vest
At or below the 50 th percentile	0%
At the 50.1 st percentile	50%
Between the 50.1 st and 75 th percentile	Straight-line vesting: <ul style="list-style-type: none"> • starting at 50%; and • reaching 100% at 75%
At or above the 75 th percentile	100%

Explanatory Notes – Resolutions *continued*

Return on Equity

A Return on Equity (**RoE**) measure has been included in the LTI award as part of the Bank's commitment to increase RoE to above the Bank's cost of capital. Targets are set in line with the Bank's strategic plan and will be disclosed retrospectively following the conclusion of the Performance Period.

Subject to the other conditions and the Board discretions described in these Explanatory Notes, the proportion of performance rights that will vest will be determined in accordance with the following table:

Return on Equity (ROE)	Percentage of performance rights that vest
At or below the 50 th percentile	0%
At Threshold	50%
Between Threshold and Stretch Performance	Straight-line vesting: <ul style="list-style-type: none"> starting at 50% (threshold); and reaching 100% at Stretch Performance
At or above Stretch Performance	100%

Performance against the ROE performance measure is assessed based on the Bank's ROE performance in the final year of the Performance Period (i.e. FY27, as set out in the Company's audited financial accounts (as approved by the Board).

Relative Net Promoter Score

The Bank continues to focus on being Australia's Bank of Choice and maintaining its high levels of customer advocacy. This is measured as the Bank's Net Promoter Score (**NPS**) over the four-year Performance Period (using a six-month rolling average). Full vesting occurs at 20 points above the average performance of a peer group of Australian Banks (all performance rights will lapse if this target is not met).

Reputation Index

This is the second year that the Bank will use reputation as a performance measure, and it has been included in recognition of its critical importance in enhancing long-term financial performance and shareholder value. Reputation will be externally measured against the RepTrak® Pulse Score Survey conducted by the Reputation Institute to measure the level of trust a respondent has towards a company. The performance will be assessed against a peer group of financial services companies, and the Remuneration Report at the end of the period will set out the Bank's actual RepTrak performance against target.

Reputation Score	Percentage of performance rights that vest
Below Threshold	0%
At Threshold	50%
Between Threshold and Stretch Performance	Straight-line vesting: <ul style="list-style-type: none"> starting at 50% (threshold); and reaching 100% at Stretch Performance
At or above Stretch Performance	100%

Retesting

There is no retesting. If the performance conditions are not met the performance rights will lapse.

Loans

No loan is being provided in relation to the proposed issue of performance rights to the CEO & MD.

Clawback/Malus

In accordance with the Bank's Clawback and Malus Policy, the Board has broad discretion to ensure that, amongst other things, no unfair benefit is derived by any Omnibus Equity Plan participant in the case of a material misstatement of financial results or serious misconduct by a participant. Reputation and conduct matters are also considered under the policy. This includes discretion to reduce or forfeit unvested awards, reset or alter the performance conditions applying to the applicable award or require the repayment of any vested awards.

Cessation of employment

If the CEO & MD's employment ends prior to the end of the vesting period due to resignation or the Bank ends the CEO & MD's employment due to fraud, dishonesty, breach of legal duties or serious misconduct, all performance rights granted to the CEO & MD will lapse.

If the CEO & MD's employment ends due to death, disablement, bona fide redundancy or by agreement with the Bank during the vesting period, the service condition will be waived, and performance rights will remain on foot to be tested against the performance conditions at the same time as for other participants.

Notwithstanding the above, the Board has discretion to treat the CEO & MD's performance rights in a different manner to that set out above, subject to compliance with applicable law.

Additional information

The performance rights form part of the CEO & MD's remuneration. Therefore, no price is payable by the CEO & MD for the allocation of the grant.

The Non-executive Directors consider the proposed remuneration arrangements for the CEO & MD, including the proposed grant of performance rights under the Omnibus Equity Plan, to be reasonable and appropriate having regard to the Bank's circumstances and the duties and responsibilities of the CEO & MD.

Since her appointment as the CEO & MD, Marnie Baker has been issued with performance rights as part of a LTI opportunity as follows:

Grant date	Performance test date	Vest date	Performance rights granted
19-Dec-18	30-Jun-22	30-Sep-22	17,500
19-Dec-18	30-Jun-22	30-Sep-22	32,500
17-Dec-19	30-Jun-23	30-Sep-23	17,500
17-Dec-19	30-Jun-23	30-Sep-23	32,500
14-Nov-20	30-Jun-24	30-Sep-24	36,376
16-Nov-21	30-Jun-25	30-Sep-25	24,519
14-Nov-22	30-Jun-26	30-Sep-26	23,140
14-Nov-22	30-Jun-27	30-Sep-27	23,140
14-Nov-22	30-Jun-28	30-Sep-28	23,209

Recommendation: The Non-executive Directors unanimously recommend that shareholders vote in favour of this resolution. Marnie Baker has a material personal interest in the resolution and, therefore, has abstained from providing a recommendation.

5. Approval of selective capital reduction schemes in respect of Converting Preference Shares 4 (CPS4)

As an Authorised Deposit-taking Institution, the Bank is required to maintain minimum levels of regulatory capital in accordance with the prudential standards issued by APRA. From time to time the Bank issues a number of different instruments to satisfy the various elements of its regulatory capital requirements, including instruments that constitute "Additional Tier 1 Capital".

Currently the Bank has one class of convertible preference shares on issue which constitutes Additional Tier 1 Capital – namely, Converting Preference Shares 4 issued in December 2017 (**CPS4**).

The CPS4 are subject to terms and conditions which require the Bank, subject to certain conditions, to convert the CPS4 into ordinary shares in the Bank on the mandatory conversion date of 15 June 2026. Those terms and conditions also allow the Bank to repay the face value of the CPS4 in certain circumstances (subject to certain conditions, including obtaining prior approval from APRA) prior to their mandatory conversion date.

The purpose of the resolutions proposed in Items 5(a) and 5(b) (the **CPS4 Capital Reduction Resolutions**) is to provide the Bank with flexibility as to how it manages its capital and, in particular, it gives the Bank flexibility to repay the face value of the CPS4, if it decides to do so prior to their mandatory conversion date.

Approval is being sought for the following two capital reduction schemes relating to the CPS4 (the **CPS4 Capital Reduction Schemes**):

- Under Item 5(a) approval is being sought for the First Capital Reduction Scheme, which involves a capital reduction in respect of the CPS4 in accordance with the terms of the CPS4.
- Under Item 5(b) approval is being sought for the Second Capital Reduction Scheme, which involves a capital reduction in respect of the CPS4 outside of the terms of the CPS4 but otherwise in accordance with the Corporations Act.

Explanatory Notes – Resolutions *continued*

A combination of one or more of the CPS4 Capital Reduction Schemes could be used and implemented at different times for up to 100% of the CPS4 on issue. Each CPS4 Capital Reduction Scheme, if approved, would be conducted as a selective capital reduction.

Further detail on the CPS4 Capital Reduction Schemes is provided below. The terms of the CPS4 (the **CPS4 Terms**) are set out in the CPS4 Prospectus dated 24 October 2017 which is available at <https://www.bendigoadelaide.com.au/investor-centre/prospectus/>.

Equivalent resolutions approving similar capital reduction schemes in respect of other issues of convertible preference shares (referred to as CPS2 and CPS3) were approved by shareholders at the 2019 and 2020 Annual General Meetings, respectively.

Unless otherwise defined, capitalised terms in these Explanatory Notes regarding the CPS4 Capital Reduction Resolutions have the same meaning as in the CPS4 Terms.

Background

On 13 December 2017, the Bank issued 3,216,145 CPS4 at an issue price of A\$100 each, raising approximately A\$321.6 million. Under the CPS4 Terms, if not Exchanged earlier (and subject to the satisfaction of the Mandatory Conversion Conditions set out in the CPS4 Terms), the CPS4 will mandatorily Convert into ordinary shares in the Bank on the Mandatory Conversion Date (being 15 June 2026). If the Mandatory Conversion Conditions are not met on this date, the CPS4 will Convert into ordinary shares in the Bank on the first Dividend Payment Date after 15 June 2026 on which the Mandatory Conversion Conditions are satisfied.

What are the CPS4 Capital Reduction Schemes?

The CPS4 Capital Reduction Schemes, described in more detail below, are selective capital reduction proposals that will provide the Bank with flexibility as to how to repay the face value of the CPS4, if it decides to do so prior to the Mandatory Conversion Date.

No decision has been made by the Board to undertake a capital reduction in respect of the CPS4 under any of the CPS4 Capital Reduction Schemes.

First Capital Reduction Scheme – on the Optional Exchange Date (Item 5(a))

The resolution in Item 5(a) seeks approval for the Bank to Redeem by way of a capital reduction up to 100% of the CPS4 on the Optional Exchange Date of 13 June 2024 (the **First Capital Reduction Scheme**).

Under the CPS4 Terms, the Bank may elect to Redeem some or all of the CPS4 on the Optional Exchange Date, in which case the Bank will pay to the CPS4 holders, for each of their relevant CPS4, a cash amount equal to the face value of A\$100 plus any Dividend payment for the period from (and including) the previous Dividend Payment Date until (but excluding) the Optional Exchange Date (subject to payment conditions) (together, **the Redemption Price**).

Redemption of the CPS4 can be undertaken by way of a capital reduction, buy-back or redemption (or combination thereof). The capital reduction component of any Redemption would be up to but not greater than A\$100.

If the First Capital Reduction Scheme is approved (and APRA's prior written approval of the First Capital Reduction Scheme has been obtained), the Bank will have the option to Redeem by way of a capital reduction up to 100% of the CPS4 on the Optional Exchange Date. Any decision to do so will be notified to CPS4 holders in an Exchange Notice delivered in accordance with the CPS4 Terms.

Second Capital Reduction Scheme – before the Optional Exchange Date (Item 5(b))

The resolution in Item 5(b) seeks approval for the Bank to undertake a selective capital reduction in respect of up to 100% of the CPS4 at any time before the Optional Exchange Date (the **Second Capital Reduction Scheme**).

If the Second Capital Reduction Scheme is approved (and APRA's prior written approval of the Second Capital Reduction Scheme has been obtained), the Bank can make offers outside of the CPS4 Terms to all or some holders of CPS4 to participate in a capital reduction in respect of up to 100% of their CPS4 before the Optional Exchange Date. Any offer to participate in the Second Capital Reduction Scheme will be made in writing, and CPS4 holders who wish to accept the offer must do so in writing by the deadline specified in the offer.

Any offer to participate in the Second Capital Reduction Scheme will be made on the following key terms:

- A CPS4 holder can accept the offer to participate in the Second Capital Reduction Scheme for all or some of their CPS4.
- On a date to be specified by the Bank (which will be before the Optional Exchange Date), the Bank will pay to the CPS4 holder, for each of their relevant CPS4, a cash amount up to but no greater than the Redemption Price (but calculated as at the date of Redemption, not the Optional Exchange Date) and the capital reduction component would be up to but not greater than A\$100 per CPS4.

Capital reductions under the Second Capital Reduction Scheme may be conducted in multiple tranches, at the times determined by the directors or as agreed with the relevant CPS4 holders, at the applicable price (as described above) and at the relevant time (which may differ between the different tranches).

Why is shareholder approval being sought?

The Bank is seeking flexibility to manage its capital base. Approval of the CPS4 Capital Reduction Resolutions will give the Bank this flexibility.

Under the Corporations Act, the CPS4 Capital Reduction Schemes require the approval of the Bank's shareholders (subject to voting restrictions). The Bank has decided it is best to seek this shareholder approval at the AGM rather than hold a separate extraordinary general meeting.

Any shareholder approval of the CPS4 Capital Reduction Resolutions does not limit the other methods in which the Bank could Redeem the CPS4 (if at all) or affect any of the Bank's other rights under the CPS4 Terms (including the ability to Convert the CPS4, and to Resell CPS4 to a Nominated Purchaser under the CPS4 Terms prior to any Redemption or Conversion).

Will any capital reduction of CPS4 take place?

No decision has been made by the Board to undertake a capital reduction in respect of the CPS4 under any of the CPS4 Capital Reduction Schemes.

If the CPS4 Capital Reduction Resolutions are approved by shareholders, the Board will only proceed with a capital reduction under any of the CPS4 Capital Reduction Schemes if it considers that it will be in the best interests of the Bank, it would not materially prejudice the Bank's ability to pay its creditors and is fair and reasonable to the Bank's shareholders as a whole, and any such decision would be subject to APRA's prior written approval. This may depend, among other things, on the Bank's financial and capital position, conditions in domestic and international markets and changes in the prudential regulation of the Bank.

What are the advantages of approving the CPS4 Capital Reduction Resolutions?

Approval of the CPS4 Capital Reduction Resolutions will give the Bank flexibility to manage its capital position, including to repay the face value of the CPS4 at a future time, without needing to convene an extraordinary general meeting solely to approve the repayment method.

What are the disadvantages of approving the CPS4 Capital Reduction Resolutions?

A potential disadvantage of approving the CPS4 Capital Reduction Resolutions is that upon completion of any one or more of the CPS4 Capital Reduction Schemes, the Bank would have a reduced capital base. However, the Bank will not conduct any of the CPS4 Capital Reduction Schemes unless it is satisfied that it would not have a material adverse impact on the Bank's financial or regulatory capital position, would not materially prejudice the Bank's ability to pay its creditors and is fair and reasonable to the Bank's shareholders as a whole. In addition, APRA's prior written approval is required to undertake any of the CPS4 Capital Reduction Schemes.

What is the financial effect of the CPS4 Capital Reduction Schemes on the Bank?

The maximum cost of a capital reduction in respect of 100% of CPS4 on issue as at the date of this Notice of Meeting would be A\$321,614,500. In addition, any unpaid Dividends that would otherwise be payable from (and including) the previous Dividend Payment Date until (but excluding) the date on which the capital reduction occurs would also need to be paid (subject to the payment conditions).

What is the source of funds for the CPS4 Capital Reduction Schemes?

The Bank maintains significant cash reserves and has other funding alternatives that could be used to conduct any capital reduction in respect of the CPS4 (which may include the issue of further securities as part of the Bank's overall capital management strategy). The Board would consider the best alternatives to fund any capital reduction in respect of the CPS4.

What is the effect of the CPS4 Capital Reduction Schemes on the control of the Bank?

Holders of CPS4 are entitled to vote (together with the holders of the Bank's ordinary shares) on only a limited number of matters as set out in the CPS4 Terms. Given the limited circumstances in which holders of CPS4 can vote, the Board considers that implementation of any of the CPS4 Capital Reduction Schemes would have no effect on the control of the Bank.

Who are affected CPS4 holders?

As at 8 September 2023, there were 5156 registered holders of CPS4 (BEN PG) holding 3,216,145 shares.

CPS4 are quoted on the ASX and held by a variety of investors predominantly based in Australia.

Do any Directors have any interests in CPS4?

Marnie Baker, CEO & MD has a direct interest in 50 CPS4 and Jacquie Hey, Chair and Non-executive Director has a direct interest in 250 CPS4. No other Director of the Bank has an interest in CPS4.

There is no other information known to the Board which may be material to the decision on how to vote in relation to the CPS4 Capital Reduction Resolutions which the Bank has not previously disclosed to its shareholders.

Recommendation: The Board unanimously recommends that shareholders vote in favour of each of these resolutions.



Explanatory Notes – Voting, proxies and questions

1. How to vote

Shareholders can vote:

- **on the day of the meeting:**
 - In person at **The Capital Theatre, 50 View Street, Bendigo Victoria 3550**; or
 - Virtually at <https://web.lumiagm.com/384101785>
- **ahead of the meeting:**
 - **Online** by completing the online voting form at <https://www.votingonline.com.au/benagm2023> (see note 4) or;
 - by any of the following means:
 - > **By mail** Share Registry
Boardroom Pty Limited,
GPO Box 3993,
Sydney NSW 2001
 - > **In person** Boardroom Pty Limited, Level 8, 210 George Street, Sydney NSW
 - > **By facsimile** +61 2 9290 9655
 - **through a proxy, attorney or corporate representative to vote in person or virtually (see notes 6, 7 & 8)**

For further information on how to participate in, and vote before or at, the AGM, please refer to a detailed User Guide available at: <https://www.bendigoadelaide.com.au/agm2023>

2. Shareholders eligible to vote

Shareholders who are eligible to vote at the meeting, are those who are registered holders of the Bank's ordinary shares as at **7:00pm (AEDT) Sunday, 22 October 2023**. All eligible shareholders are encouraged to vote ahead of the meeting as described above in item 1 "How to vote".

Ordinary shareholders are eligible to participate at the meeting and vote on all the items of business to be considered at the meeting (with the exception of those persons listed on page 3) who are listed as being excluded from voting).

3. Voting at the meeting

Voting on each of the proposed resolutions at the meeting will be conducted by poll. Refer to the "How to participate in the AGM" guide which is available at:

<https://www.bendigoadelaide.com.au/agm2023>

4. Online voting facility

The online voting facility is available at:

<https://www.votingonline.com.au/benagm2023>

Log in details are shown on the shareholder's Direct Voting / Proxy Form.

Shareholders will be deemed to have signed the Direct Voting / Proxy Form if lodged in accordance with the instructions on the online voting site.

Voting submitted online must be completed by 11:00am (AEDT) Sunday, 22 October 2023.

5. Joint shareholders

In the case of joint shareholders (personally or by corporate representative, proxy or attorney), only the joint holder whose name appears first in the register in respect of the relevant shares is entitled to vote.

6. Power of attorney

If a shareholder has appointed an attorney to attend and vote at the meeting, or if the Direct Voting / Proxy Form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by Boardroom at GPO Box 3993, Sydney NSW 2001 or facsimile on +61 2 9290 9655 no later than **11:00am (AEDT) on Sunday, 22 October 2023** unless the power of attorney has previously been lodged with the Bank's registry, Boardroom. The registry will provide log-in details to the attorney to be able to attend and vote at the meeting.

7. Corporate representatives

If a corporate shareholder wishes to appoint a person to act as its representative at the meeting, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with the company's constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of appointment of corporate representative may be obtained from the Bank's share registry, Boardroom, online at investorserve.com.au or on 1300 032 762 (within Australia) or +61 2 8023 5417 (internationally).

The form attaching the letter, certificate or certified resolution referred to above must be received by Boardroom at GPO Box 3993, Sydney NSW 2001, or facsimile on +61 2 9290 9655, or by email at proxy@boardroomlimited.com.au no later than the commencement of the meeting, unless it has previously been lodged with Boardroom.

8. Proxies

You may appoint a proxy to vote on your behalf. This may be done by completing the Direct Voting / Proxy Form or by appointing the proxy through the online voting facility by **11:00am (AEDT) Sunday, 22 October 2023**. A proxy need not be a shareholder of the Bank. If you are entitled to cast two or more votes you may nominate two persons to vote on your behalf at the meeting. If two proxies are appointed, ensure that the percentage or proportion of your votes is specified. If no such percentage or proportion is specified, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Votes may be cast as 'For', 'Against' or you may 'Abstain' from voting on a resolution.

To indicate how you want the proxyholder to vote on a resolution, indicate your voting instruction by selecting 'For', 'Against' or 'Abstain' or insert the number of shares or percentage of shares that you wish to vote in the appropriate box. A valid voting direction must not exceed the total number of shares held or 100 percent. If you 'Abstain' from voting your votes will not be counted in calculating the required majority on a poll.

If you wish to appoint a second proxy or to vary a previously notified proxy please contact the Bank's share registry, Boardroom by email on proxy@boardroomlimited.com.au or by telephoning 1300 032 762 (within Australia) or +61 2 8023 5417 (internationally).

To be valid, Direct Voting / Proxy Forms must be received by 11:00am (AEDT) on Sunday, 22 October 2023 by the Bank's registry, Boardroom.

Proxyholders should contact Boardroom using the above details to obtain their log in details to be able to attend and vote at the meeting.

9. How to ask a question

Shareholders can ask questions:

- on the day of the meeting:
 - In person at **The Capital Theatre, 50 View Street, Bendigo Victoria 3550**; or
 - Virtually at <https://web.lumiagm.com/384101785>; or
- ahead of the meeting by no later than **5:00pm (AEDT) Tuesday, 17 October 2023**:
 - using the 'Ask the Board' facility within the online proxy voting site at <https://www.votingonline.com.au/benagm2023>; or
 - mailing or faxing questions to the Bank's registry, Boardroom at GPO Box 3993, Sydney NSW 2001 (facsimile number +61 2 9290 9655); or
 - email a question to BEN@boardroomlimited.com.au

At the meeting shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the business of the meeting or the management of the Bank. Ernst and Young, the Bank's external auditor, will attend the meeting and there will also be an opportunity for shareholders to ask questions relevant to the audit.

10. Conduct of the Meeting

We are committed to ensuring that our shareholder meetings are conducted in a manner that provides those shareholders or their proxy holders who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion.

To assist with this and to achieve the objectives of the meeting, we ask that shareholders be courteous and respectful to all shareholders, directors and others attending the meeting by asking concise questions about the matters which are relevant to the business of the meeting.

The Chair of the meeting will exercise her powers to ensure that the meeting is conducted in an orderly and timely fashion in the interests of all attending shareholders.

As this meeting is a hybrid (in person and online) meeting technical issues may arise. If there is a technical disruption to the meeting's proceedings, the Chair will decide on how and when the meeting will proceed. An ASX announcement will be issued with further information if necessary.

Australia's most trusted bank

Notice of Annual General Meeting 2023

Bendigo and Adelaide Bank Limited

ABN 11 068 049 178



**Bendigo and
Adelaide Bank**