

**Bendigo and Adelaide
Bank Limited
Bonus Share Scheme**

Scheme Rules

31 March 2015

The following are the rules applicable to the Bonus Share Scheme of Bendigo and Adelaide Bank Limited (ACN 068 049 178).

1 The Scheme

The Scheme is a means by which Shareholders may elect to receive bonus Shares, in lieu of receiving cash dividends declared by the Bank, in respect of all or part of their holding of Shares.

2 Participation in the Scheme

Participation in the Scheme is open to each Eligible Shareholder. Participation in the Scheme by Eligible Shareholders is:

- (a) optional;
- (b) non-transferable; and
- (c) subject to these Scheme Rules.

The degree of an Eligible Shareholder's participation in the Scheme may, subject to any restrictions in these Scheme Rules, be varied or terminated by the Eligible Shareholder at any time in accordance with rule 9.

3 Applications to Participate

3.1 Election Forms

An application to participate in the Scheme must be made by submitting a duly completed and signed Election Form. Each accepted Election Form received by the Bank is effective for:

- (i) the first dividend payable after receipt of the application; and
- (ii) all subsequent dividends until the earlier of termination of the Participant's participation in the Scheme or the termination or suspension of the Scheme,

provided that, in order to be effective in relation to a particular dividend, an Election Form must be received by the Bank by the next Business Day following the Record Date for that dividend.

An Election Form to participate in the Scheme by joint holders of Shares must be signed by all holders.

3.2 Multiple Parcels

If a Shareholder is shown on the Share Registry as holding more than one parcel of Shares and has been allocated a separate unique identification number for each of those parcels:

- (a) a separate Election Form is required for each of those parcels; and
- (b) these Scheme Rules apply as if each of those parcels were registered in the name of a separate Shareholder.

4 Extent of Participation

4.1 Full or Partial Participation

An Eligible Shareholder may participate in the Scheme in respect of either:

- (a) all Shares registered in the name of the Eligible Shareholder on a relevant Record Date (**full participation**); or
- (b) a specific number of Shares, less than the Eligible Shareholder's total holding, specified in an Election Form (**partial participation**).

4.2 Deemed Full Participation

- (a) An Election Form which does not indicate the degree of participation selected will be deemed by the Bank to be a request for full participation in the Scheme.
- (b) Where, through sale or transfer, the number of Shares held by a Participant becomes less than the number nominated as participating in the Plan, the Participant will be deemed to have elected full participation until the number of Shares held by them (including those issued under the Scheme) again exceeds the number of Shares number nominated as participating in the Plan.

4.3 Full Participation

Under full participation, all Shares registered in the Participant's name at the time of commencement of full participation, and all Shares subsequently registered in the Participant's name (including Shares issued pursuant to the Scheme), will be Participating Shares.

4.4 Partial Participation

Under partial participation, only that number of Shares indicated by the Participant for participation in the Scheme, and Shares subsequently issued pursuant to the Scheme, will be Participating Shares unless the Participant directs the Bank otherwise in an Election Form.

4.5 Sale or Transfer of Shares

Shares which are sold or otherwise transferred from a Participant to another Shareholder will cease to be Participating Shares for that Participant on registration of the transfer by or on behalf of the Bank.

5 Operation of the Scheme

5.1 Application of Dividend

The amount of each cash dividend otherwise payable to a Participant (but for participation in the Scheme) on the Participant's Participating Shares will be foregone by the Participant. However, the Board shall issue to the Participant the number of Shares determined under rule 5.3.

5.2 Bound by the Constitution

By applying to participate in the Scheme, a Participant agrees to be bound by the Constitution in respect of all Shares provided to the Participant under the Scheme.

5.3 Number of Shares to be issued

Subject to the discretion of the Board, the number of Shares (**N**) to be issued to a Participant in relation to a dividend is determined in accordance with the following formula:

$$N = A \times B / AP$$

Where:

A is the number of Participating Shares held by the Participant on the Record Date in respect of the dividend.

B is the cash amount of the dividend (in cents per Share) that the Participant has foregone in respect of the Participant's Participating Shares, less any withholding tax payable in respect of the dividend.

AP is the Allocation Price (expressed in cents) in respect of the dividend.

Where the above formula results in a fractional entitlement to a Share, the entitlement shall be rounded to the nearest whole number.

6 Shares issued under the Scheme

Shares issued under the Scheme will:

- (a) be issued and registered on, or as soon as reasonably practicable after, the relevant Dividend Payment Date;
- (b) from the date of issue, be fully paid ordinary shares and rank equally in all respects with all other Shares, and will be registered on the Share Registry on which the Participant's holding of Participating Shares is currently registered; and
- (c) be issued as bonus Shares and no consideration is payable for the issue of those Shares.

7 Costs to Participants

No brokerage, commissions or other transaction costs are payable by a Participant in respect of the application for, and issue of, Shares under the Scheme, and no stamp or other duties will, under present law, be payable by a Participant in respect of the issue of Shares under the Scheme.

8 Statement to Participants

The Bank will send to each Participant, after each Dividend Payment Date, a statement providing full details of the Participant's transactions in the Scheme.

9 Variation or Termination of Participation

9.1 Variation or Termination with notice

A Participant may, at any time:

- (a) increase or decrease the number of their Participating Shares by completing an Election Form; or
- (b) give the Bank notice in writing of termination of participation in the Scheme.

Notice of termination of, or variation in, participation in the Scheme must be received by the Bank by the next Business Day following the Record Date for an eligible dividend in order to be effective in respect of that dividend.

9.2 Termination upon death or bankruptcy

Termination of participation by a Participant will become effective:

- (a) in the case of the death of the Participant, upon receipt by the Bank of notice of the death of the deceased Participant; or
- (b) in the case of the bankruptcy or winding up of the Participant, upon the receipt by the Bank of a notification of the Participant's bankruptcy from the Participant or trustee in bankruptcy or upon receipt of notification of the Participant's winding up.

The death, bankruptcy or winding up of one of two or more joint holders will not automatically terminate participation in the Scheme.

9.3 Termination without notice

Where a Participant disposes of all of the Participant's Shares without giving the Bank notice of termination of participation, and is not registered as the holder of any Shares at the next Record Date, the Participant will be deemed to have terminated participation in the Scheme on the date on which the last transfer of Shares is registered by the Bank.

10 Taxation

Neither the Bank nor the Board, nor any of the Bank's officers, employees or agents take any responsibility or assume any liability for the taxation liabilities incurred or imposed upon any Participants as a consequence of participating in the Scheme.

As individual circumstances and laws vary considerably, specific taxation advice from professional advisers should be obtained by a Shareholder in respect of the Scheme.

11 Applications and Notices

11.1 Notices from the Bank

The Bank may, in its discretion, give any notice under this Scheme by means of:

- (a) notice in writing in accordance with the Constitution; or
- (b) an announcement to the ASX.

Any such notice or announcement will be effective from the date given, or any other date provided for in these Scheme Rules or referred to in the notice or announcement.

Any failure by the Bank to give notice of a suspension, modification or termination of the Scheme or the non-receipt of any notice by any Shareholder will not invalidate that suspension, modification or termination (as the case may be).

11.2 Applications and Notice to the Bank

Applications and notices to the Bank (including Election Forms) shall be in writing or such other form as the Bank may from time to time require. Such applications and notices will be effective on receipt by the Bank subject to:

- (a) these Scheme Rules;
- (b) in the case of applications, acceptance by the Bank.

To be effective in respect of a dividend, an application or notice must be received by the Bank by no later than the next Business Day following the Record Date for that dividend. Applications or notices received after the next Business Day following such Record Date, will be effective in respect of the next dividend.

Election Forms can be obtained by contacting the Share Registry.

12 Quotation on the ASX

Promptly after the issue of any Shares under the Scheme, application will be made by the Bank for those Shares to be listed for quotation on the official list of the ASX.

13 Modification, Suspension and Termination of the Scheme

The Scheme may be modified, suspended or terminated by the Board at any time. Notice will be given in accordance with rule 11.1.

- (a) In the case of a modification of the Scheme, existing Participants will be deemed to continue under the modified Scheme (in accordance with their participation immediately prior to the modification), unless the Bank is notified to the contrary by a Participant in accordance with the Plan Rules.
- (b) In the case of a suspension of the Scheme, participation in the Scheme will automatically be suspended for the duration of the suspension, and reinstated upon any reinstatement of the Scheme.

14 General

- (a) The Scheme was approved by a resolution at the annual General Meeting of Bendigo Building Society (Bendigo and Adelaide Bank) on 24 October 1988 and came into effect on 1 July 1989.
- (b) The Scheme, these Scheme Rules and the operation of the Scheme shall be governed by the law of the State of Victoria.
- (c) The Board reserves the discretion to waive strict compliance with any provisions of these Scheme Rules.
- (d) The Board has the power to settle or resolve any difficulties, anomalies or disputes which arise in connection with, or because of, the operation of the Scheme, in the manner it thinks appropriate either generally or in relation to a particular Shareholder or Share and the decision of the Board is binding on all Shareholders.
- (e) The Scheme will not apply in any case where, in accordance with these Scheme Rules, the Constitution or law, the Board is entitled to retain all or part of a dividend that, but for the Participant's election to participate in the Scheme in respect of Participating Shares, would be payable in respect of Participating Shares, or where the Bank is entitled to a charge over Participating Shares or over any dividend that, but for participation in the Scheme, would be payable in respect thereof.

15 Acknowledgement

Each Participant acknowledges that the Bank has not provided the Participant with investment advice or financial product advice and that neither the Bank is obliged to provide such advice to a Participant.

16 Interpretation

16.1 Definitions & Interpretation

Allocation Price means, in respect of a dividend, the arithmetic average of the daily volume weighted average price of all Shares sold on the ASX in the ordinary course of trading in the relevant Trading Period, less any discount determined by the Board from time to time, rounded to the nearest cent. The daily volume weighted average price (including decisions as to whether any sale of Shares was in the ordinary course of trading) will be determined by the Board, or another suitable person nominated by the Board (on such terms that the Board may prescribe or approve).

ASX means ASX Limited or the market operated by it (as the context requires).

Bank means Bendigo and Adelaide Bank Limited (ACN 068 049 178).

Bank Website means www.bendigoadelaide.com.au.

Board means the board of directors of the Bank or a committee or person to whom the board has delegated a relevant power or authority.

Business Day means a day which is a business day for the purposes of the Listing Rules.

Constitution means the constitution of the Bank in force from time to time

Dividend Payment Date means, in respect of a dividend payable on the Shares, the date which the Bank sets as the payment date of the dividend.

Election Form means an application to participate in the Scheme in a form prescribed by the Bank from time to time.

Eligible Shareholder means, in respect of a particular dividend, a person who, at the Record Date for that dividend, is recorded in the Bank's register of members as:

- (i) a Shareholder; and
- (ii) having an address in:
 - (A) Australia; or
 - (B) a jurisdiction in which the Bank is satisfied that the offer and issue of Shares under the Scheme is lawful and practicable,

provided that the Bank can determine that a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of persons who are, resident outside the jurisdictions referred to in sub-paragraphs (A) and (B) above.

Note: The Bank has determined that Shareholders located in the United States of America and Canada are not Eligible Shareholders.

Listing Rules means the Listing Rules of ASX as they apply to the Bank from time to time.

Participant means an Eligible Shareholder participating in the Scheme.

Participating Share means, in respect of a Participant, a Share of that Participant participating in the Scheme.

Record Date means, for a dividend, the date and time for determining entitlements to the dividend.

Scheme means the Bonus Share Scheme the subject of these Scheme Rules.

Scheme Rules means these rules, as modified from time to time.

Shareholder means a registered holder of any Shares.

Share Registry means the share registry or registries of the Bank.

Shares means fully paid ordinary shares in the Bank.

Trading Period means, in respect of a dividend, the seven trading day period starting on (and including) the second trading day after the Record Date for that dividend and ending on (and including) the eighth trading day after that Record Date, or such other period as the Board may determine from time to time.

Trading Rules mean:

- (a) the *Corporations Act 2001* (Cth) and the Listing Rules; and
- (b) the ASTC settlement rules (or operating rules of a clearing and settlement facility that is a prescribed CS facility under the *Corporations Act 2001* (Cth)),

as they apply to the Bank from time to time.

16.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural, and the converse also applies.
- (c) A gender includes all genders.
- (d) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

16.3 Trading Rules

For so long as the Bank remains admitted to the official list of ASX, despite anything else contained in these Scheme Rules:

- (a) if the Trading Rules prohibit an act being done by the Bank, the act shall not be done;
- (b) nothing contained in these Scheme Rules prohibits an act being done by the Bank that the Trading Rules require to be done;
- (c) if the Trading Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Trading Rules require these Scheme Rules to contain a provision and they do not contain that provision, these Scheme Rules are taken to contain that provision;
- (e) if the Trading Rules require these Scheme Rules not to contain a provision and they contain that provision, these Scheme Rules are deemed not to contain that provision; and
- (f) if any of these Scheme Rules are or become inconsistent with the Trading Rules, these Scheme Rules are to be taken not to contain that provision to the extent of the inconsistency; and
- (g) unless the context otherwise requires, terms defined in the Trading Rules have the same meaning in these Scheme Rules.