



**Bendigo and
Adelaide Bank**

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At Bendigo and Adelaide Bank we aim to be Australia's leading customer-connected bank.

**Notice of 2011
Annual General Meeting**

Annual General Meeting 2011



Bendigoand
AdelaideBank

Dear Shareholder,

On behalf of the Board, I am pleased to invite you to attend the Bendigo and Adelaide Bank Limited ("Company") Annual General Meeting ("AGM") on Monday 24 October 2011 at 2pm (1.30pm in Adelaide).

This year's AGM will again be held in two locations – Bendigo and Adelaide. Directors and senior management will be in both locations and this year I will be chairing the AGM in Bendigo. The AGM will be simultaneously transmitted live between the two venues and you will be able to participate, including asking questions and voting, from either venue.

Most of the items of business in the Notice of AGM will be familiar to shareholders. Two additional items are proposed this year. First, to increase the non-executive director fee cap and, secondly, proposed amendments to the constitution. The amendments to the constitution include a proposal to set the maximum number of directors at ten. These proposals are explained in the notice of meeting and I look forward to discussing these matters and the other items of business at the meeting.

I enclose the following:

- Notice of AGM, including the business to be conducted, venue information and meeting time;
- Your personalised Voting Form and a reply paid envelope.

A copy of the 2011 Annual Report is available from the Company's website www.bendigoadelaide.com.au.

You can participate in the AGM in the following ways:

- attend the meeting in person, either in Adelaide or in Bendigo; or
- cast a direct vote; or
- appoint a proxy

If you wish to cast a direct vote or to appoint a proxy, you must either fill in the accompanying Voting Form and send it to the Bank in the reply paid envelope or you can go to www.investorvote.com.au and follow the voting instructions online. Shareholders who cannot attend the meeting can watch and listen to a webcast of the AGM by logging onto www.bendigoadelaide.com.au.

If you will be attending the meeting, please bring the attached Voting Form with you and present it at the registration desk. The bar code at the top of the Voting Form will assist in registering your attendance.

If you are unable to attend the meeting I encourage you to complete and return the enclosed Voting Form in accordance with the instructions outlined below and set out in the "voting information" section of the Voting Form.

If you lodge a direct vote or appoint a proxy and you also attend the meeting, you can cancel your direct vote or your proxy appointment by telling staff at the registration desk when you register your attendance at the meeting.

Shareholders who cannot attend the meeting have the choice of either casting a direct vote or appointing a proxy. A direct vote allows you to vote on the resolutions before the AGM without attending the meeting or appointing a proxy. Shareholders who wish to cast direct votes should complete "Option A: Cast your Direct Vote" of the Voting Form and shareholders who wish to appoint a proxy should complete "Option B: Appoint a Proxy to vote on your behalf" of the Voting Form.

You can submit your direct vote or proxy voting instructions online at www.investorvote.com.au. Alternatively, you can complete and return the hard copy of the Voting Form using the envelope provided and mailing or faxing it to the address provided at the top of the Voting Form.

Shareholders are also invited to submit questions on the Company's performance and management and questions to the auditor regarding the content of the auditor's report and the audit of the annual financial report. Questions can be asked using the question form in the Notice of AGM or by submitting a question online at www.bendigoadelaide.com.au/shareholders.

The AGM is an important event and we encourage you to participate. Following the AGM, shareholders are invited to join directors and senior management for refreshments at either the Intercontinental Adelaide or the Banquet Room of The Capital Theatre, Bendigo. We look forward to meeting as many of you as possible at the Company's 2011 AGM.

Yours sincerely,

Robert Johanson
Chairman

Notice of Annual General Meeting 2011

Notice is given that the Annual General Meeting ("AGM") of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) ("Company") will be held in Adelaide and Bendigo. The AGM will be held on Monday 24 October at:

2.00pm Australian Eastern Daylight Saving Time (AEDST)

The Capital Theatre
50 View Street, Bendigo, Victoria

Registration desks will be open from 1.15pm in Bendigo

1.30pm Australian Central Daylight Saving Time (ACDST)

The Intercontinental Adelaide
North Terrace, Adelaide, South Australia

Registration desks will be open from 12.45pm in Adelaide

The AGM will be broadcast live between the two venues and shareholders will be able to participate in the AGM (including asking questions and voting on the matters to be considered at the AGM) at either venue.

Business

1. Accounts and Reports

To receive and consider the Company's Financial Report, Directors' Report and Report by the Auditor for the financial year ended 30 June 2011.

2. Election of Ms Jacqueline Hey as a director

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

"Ms Jacqueline Hey, who retires from office under Rule 56 of the Company's Constitution, is elected as a director of the company."

3. Amendments to the Constitution

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

"That the Constitution of the Company be amended as set out in the document tabled at the 2011 Annual General Meeting and signed by the Chairman for the purposes of identification."

4. Fees Payable to Non-Executive Directors

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

"That in accordance with Australian Securities Exchange Listing Rule 10.17 and the Company's Constitution, the aggregate maximum amount of remuneration of the Non-Executive Directors be increased by \$800,000 per annum to \$2,500,000 per annum."

Recent Corporation Act amendments, and the ASX Listing Rules, restrict voting by Key Management Personnel (as defined in the Corporations Act) on remuneration related matters (as explained below).

What this means for shareholders: It is recommended that:

- You do not appoint a member of Key Management Personnel (this includes directors of the Company and members of the Executive Committee) or their closely related parties as your undirected proxy on this resolution. **You can however appoint the "Chairman of the meeting" as your proxy.**
- If you appoint the Chairman of the meeting as your proxy and you give an undirected proxy, if you want the Chairman to be able to vote you **will need to expressly authorise this by checking the "Chairman's box" on the Voting Form.**

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Corporations Act and ASX Listing Rule requirements: Under the Corporations Act, a person who is appointed as a proxy must not vote, on the basis of that appointment, if the person is any of the following:

- A member of key management personnel (as defined in the Corporation Act) details of whose remuneration is included in the remuneration report; and
- A closely related party of such a member (as defined in the Corporations Act which includes a spouse, dependant and certain other close family members, as well as any companies controlled by the member of the key management personnel).

However, this prohibition does not apply to a member of key management personnel (or their closely related parties) voting a directed proxy (provided the proxy is not cast on behalf of a member of key management personnel or their closely related parties).

This prohibition does not apply to the chairman of the meeting voting an undirected proxy if the appointment authorises the chairman of the meeting to do this.

In addition, under the ASX listing rules, the following voting exclusion statement applies to this resolution.

The Company will disregard any votes cast on item 4 by any of the directors and any of their associates (as defined in the Corporations Act). 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 member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Remuneration Report

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

"The Remuneration Report for the Company as set out in the Annual Report for the financial year ended 30 June 2011 be adopted."

Note: The vote on this resolution is a non-binding advisory vote only.

Recent Corporations Act amendments have affected the ability of the Chairman to vote undirected proxies on this resolution (explained below).

What this means for shareholders: It is recommended that you do not appoint a member of key management personnel (this includes directors of the Company and members of the Executive Committee) or their closely related parties as your undirected proxy on this resolution. You can however appoint the Company Secretary.

The Company Secretary intends to vote undirected proxies in favour of this resolution.

Corporations Act requirements: The Corporations Act requires that a vote must not be cast (in any capacity) by or on behalf of any of the following:

- A member of key management personnel (as defined in the Corporation Act), details of whose remuneration is included in the remuneration report.
- A closely related party of such a member (as defined in the Corporations Act which includes a spouse, dependant and certain other close family members, as well as any companies controlled by the member of the key management personnel).

If a vote is cast contrary to this prohibition, the vote is taken not to be cast and the member of key management personnel commits an offence. However this prohibition does not apply to a member of key management personnel (or their closely related parties) voting a directed proxy (provided the vote is not cast on behalf of a member of key management personnel or their closely related parties).

Voting Information and Explanatory Notes

For voting information and more information on the above resolutions please see Voting Information and Explanatory Notes on pages 4 to 6 of this notice of meeting.

Failure of technology

A failure in the technology facilitating the AGM to be simultaneously transmitted live between the two venues will not invalidate the AGM. Where a failure in the technology occurs, the AGM will continue in Bendigo and the shareholders who attend the AGM in Adelaide may not be able to participate fully in the AGM however they will be able to vote on all remaining resolutions by way of a poll.

By Order of the Board

David Oatway
Company Secretary

18 August 2011

Voting Information



Bendigoand
AdelaideBank

Who can vote and attend the AGM

Entitlement to vote: For the purpose of voting at the AGM, shares will be taken to be held by the persons who are the registered holders of the ordinary shares of the Company at **7.00pm AEDST on 22 October 2011**. The entitlement of shareholders to vote at the AGM will be decided by reference to that time.

Types of shareholders: Ordinary shareholders are eligible to attend the AGM and vote on all the items of business to be considered at the AGM. Holders of Bendigo Preference Shares, Step Up Preference Shares and Reset Preference Shares may attend the AGM but are not entitled to vote on any of the items of business.

Joint shareholders: In the case of joint shareholders of ordinary shares, all holders may attend the AGM in person or by proxy. If more than one joint holder is present (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.

Bodies corporate: A body corporate shareholder or proxy will need to make sure that it appoints one or more individuals to act as its corporate representative under section 250D of the Corporations Act. Where more than one representative is appointed, only one representative may exercise the body corporate's powers at any one time. The Company requires satisfactory written evidence of a representative's appointment to be lodged with, or presented to, the Company's Share Registry before the AGM (the evidence may be given to the Company by mail, in person or by facsimile, at the addresses set out in item 6 below).

How to vote if not attending the AGM

Type of voting: If you are **not** attending the meeting, you can choose to vote in one of two ways, by following the instructions below and completing the enclosed Voting Form.

☐ **Option A:** If you choose to use direct voting – mark the box under Option A on the Voting Form. If you use direct voting you agree to be bound by the direct voting regulations adopted by the Board. A copy of the direct voting regulations is available from the Company website www.bendigoadelaide.com.au/corporategovernance/policies.

or

☐ **Option B:** If you choose to appoint a proxy – mark the box under Option B on the Voting Form or write the name of the person or body corporate that you are appointing. If you are appointing the Chairman, you will also need to tick the "Chairman's box" (this is identified on the form) if you want the Chairman to be able to vote an undirected proxy.

For items 2, 3 and 4, if you do not want to appoint a named person as proxy, you may choose to appoint the Chairman of the meeting by ticking the box under Option B. *If you appoint the Chairman of the meeting as your proxy, please note that the Chairman intends to use any undirected proxies the Chairman holds to vote in favour of all of the resolutions.*

For item 5, if you do not appoint a named person as proxy, you may choose to appoint the Company Secretary by ticking the box under Option B. The reason it is the Company Secretary, not the Chairman of the meeting, is because of a recent Corporations Act amendment that impacts on the ability of the Chairman to vote on this resolution.

The Parliamentary Secretary to the Treasurer has announced that the Government will fix this anomaly. It is unlikely this will occur before the AGM, so to make sure that all proxy votes can be counted, the Board has nominated the Company Secretary to act as proxy.

If you appoint the Company Secretary as your proxy, please note that the Company Secretary intends to use any undirected proxies the Company Secretary holds to vote in favour of all of the resolutions.

If you have any questions about how to complete the Voting Form, please contact the Share Registry on 1800 646 042.

Information for shareholders using direct voting or appointing proxy

Please read these instructions before completing the Voting Form.

	Option A - direct voting	Option B - voting by proxy
Step 1: Choose how to vote		
1.1 Mark box A or B	Mark box A to cast a direct vote	Mark box B to vote by proxy
	If you do not mark either box A or box B or you mark both boxes, you will be taken to have elected to vote by proxy and to have appointed the person named in the Voting Form as proxy and if no person is named as your proxy, the Chairman of the meeting (and, in respect of item 5, the Company Secretary), to vote on your behalf.	
1.2 Appointing a proxy	Appointment of someone to vote for you is not needed for direct voting, as you are treated as voting yourself.	A member entitled to attend and vote at the meeting may appoint a proxy. A proxy need not be a member of the Company. A member may appoint an individual or a body corporate as their proxy.
1.3 Appointing two proxies	This is not relevant for direct voting.	<p>You may appoint up to two proxies to attend the meeting and vote on a poll. If you want to appoint a second proxy either obtain an additional Voting Form from the Company's Share Registry on 1800 646 042 or copy the Voting Form. If you use the online facility to appoint a proxy, follow the prompts for appointing two proxies.</p> <p>(a) On each of the Voting Forms, state the percentage of your voting rights or number of shares applying for that Proxy Form. If the appointment does not state the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.</p> <p>(b) Return both Voting Forms together in the same envelope. If you use the online facility to appoint a proxy, follow the prompts for appointing two proxies.</p>
1.4 Choosing your proxy	This is not relevant for direct voting.	<p>Choose who you want to appoint as your proxy by marking or completing the appropriate box under Option B.</p> <ul style="list-style-type: none"> If you wish to appoint the Chairman of the meeting (for items 2, 3 and 4) and the Company Secretary (for item 5) as your proxy, mark the box under Option B. If you wish to appoint someone other than the Chairman and Company Secretary, write the name of that person or body corporate in the space provided. <i>Do not write the name of the Company or your own name in this space.</i> <p>If you leave this section blank or your named proxy does not attend the meeting, the Chairman of the meeting will act as your proxy in respect of all items other than item 5 and the Company Secretary will act as your proxy in respect of item 5.</p>
	Option A - direct voting	Option B - voting by proxy
Step 2: Complete your voting instructions		
2.1 Voting instructions	<p>Completing the voting instructions is the same for direct voting and voting by proxy. You may vote yourself (ie a direct vote) or tell your proxy how to vote by placing a mark in one of the boxes opposite each item of business.</p>	
		<p>If your proxy is the Chairman of the meeting, then the Chairman must cast your vote on a poll in accordance with your instructions.</p> <p>In the case of other persons appointed as proxy, your proxy does not have to vote, but if they do vote, they must follow your instructions. If a poll is called and your proxy does not cast your vote, your proxy will pass to the Chairman and the Chairman must cast your vote on the poll in accordance with your instructions.</p>

2.2 All or a portion of votes	On a poll, all your securities will be voted in the way directed (in the case of a proxy, if the proxy votes) unless you indicate only a portion of votes are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. Fractions of votes will be disregarded.	
2.3 Marking more than one box	If you mark more than one box (ie for, against, abstain) for an item but the relevant portion is not specified for each box, for that item your shares will not be counted in calculating the required majority on a poll and your proxy may not vote on a show of hands or poll.	
2.4 Marking abstain box	If you mark the abstain box for an item, for that item your shares will not be counted in calculating the required majority on a poll and your proxy may not vote on a show of hands or poll.	
2.5 Not marking any box	If you do not mark any box for an item, this is the same as abstaining (explained above).	If you do not mark any box for an item, your proxy may vote as they choose on that item. <i>The Chairman of the meeting will vote undirected proxies held by the Chairman in favour of resolutions 2, 3 and 4 and the Company Secretary will vote undirected proxies held by the Company Secretary in favour of resolution 5.</i>
2.6 Show of hands	On a show of hands your votes are not counted.	On a show of hands, your proxy has one vote. However, if you mark more than one box (ie for, against, abstain) for an item, your proxy must not vote on a show of hands.

Step 3: **Authorise your voting instructions**

3.1 Authentication or signing the Voting Form	<p>If you follow the instructions for online lodgement, you do not need to sign the Voting Form, as following the instructions will enable electronic authentication.</p> <p>If you lodge by mail, in person or by facsimile, the Voting Form must be signed in the spaces provided.</p> <ul style="list-style-type: none"> • <i>Individual</i>: If the holding is in one name, the holder must sign. • <i>Joint holding</i>: If the holding is in more than one name, any one holder may sign. • <i>Companies</i>: If the company has a sole director who is also the sole company secretary, the Voting Form must be signed by that person. If the company is a proprietary company and does not have a company secretary, and has only one director, the sole director can sign alone. Otherwise the Voting Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.
3.2 Using a power of attorney	To sign under power of attorney, you must have already lodged the power of attorney with the registry or give a certified copy of the power of attorney to the Company with the Voting Form. You cannot give the power of attorney to the Company by electronic means.

	Option A - direct voting	Option B - voting by proxy
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Step 4: **Give the Company your Voting Form**

4.1 Receipt of Voting Form	<p>The Voting Form must be received by the Company's Share Registry not later than 48 hours before the start of the meeting (ie by 2.00 pm Australian Eastern Daylight Saving Time) (1.30 pm Australian Central Daylight Saving Time) on 22 October 2011. Any Voting Form received after that time will not be valid for the meeting. The Voting Form may be given to the Company in any of the following ways.</p> <ul style="list-style-type: none"> • By mail Use the reply paid envelope (Computershare Investor Services P/L), or send in your envelope to Share Registry, Level 4, The Bendigo Centre, Bendigo, Victoria, 3550. • In person Company's Share Registry at Level 4, The Bendigo Centre, Bendigo, Victoria. • By facsimile <i>Within Australia</i>: 1800 783 447 <i>Outside Australia</i>: +61 3 9473 2555 • Online Follow the instructions on the website www.investorvote.com.au. You will need the information shown on the front of the Voting Form to register your direct vote or proxy online.
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If you attend the meeting as well

4.2 Effect of attending meeting	<p>If you have given the Company a Voting Form and you (including by your corporate representative or attorney) attend the meeting, you need to let the Company know when registering for the meeting if you want to revoke the instructions.</p> <p>If you do not revoke the instructions, they remain in effect and you (including by your corporate representative or attorney) cannot vote as well at the AGM.</p>
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Explanatory Notes

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

Financial report, directors' report, auditors' report

1. Accounts and Reports

The Company's 2011 Full Annual Report (which includes the Financial Report, the Directors' Report and the Auditors' Report) is available from the Company's website at www.bendigoadelaide.com.au/annualreport

The Annual Report is presented to the AGM as required by the Corporations Act, but there is no requirement for shareholders to approve the Annual Report. Accordingly, there is no vote on the Annual Report.

The Chairman will allow a reasonable opportunity for members at the AGM to ask questions about, or make comments on, the management of the Company. The Chairman will also allow a reasonable opportunity for members at the AGM to ask the auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor.

In addition to the opportunity to ask questions at the AGM, written questions to the Company's 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 five business days before the AGM using any of the methods set out in the voting information section above. The questions will be passed on to the auditor. The auditor will prepare a document setting out the questions received and give a copy of the question list to the Company. Copies of the questions will be made available at the registration desks for shareholders attending the AGM. In addition, a reasonable opportunity will be allowed at the AGM for the auditor or their representative to answer the questions that have been submitted.

2. Election of Ms Jacqueline Hey as a director

The Board considers that collectively the directors need to bring the appropriate skills, knowledge and experience to contribute to the effectiveness of the Board and to provide leadership and contribute to the success of the Group.

This involves taking into account the Company's strategy, which includes building a long term sustainable business focusing on the success of our customers, people, partners and communities. This delivers prosperity for all stakeholders, which in turn creates prosperity for the Company and its shareholders.

The Board regularly reviews the skills, knowledge and experience represented on the Board, including as part of the annual performance assessment process, necessary to deliver the strategy of the Group.

The Board has developed a skills matrix. In developing the matrix, the Board has taken into account the benefits to the organisation of having Board representation relating to strategic points of difference. The criteria include general, industry and subject matter expertise and this is described further in the governance statement contained in the Full Annual Report.

In 2011, the Board conducted, through the Governance & HR Committee, a rigorous process for the appointment of the new director. This involved a review of the skills and experience on the Board, taking into account the planned retirement of directors

and the Group's strategy. An external consultant was engaged to conduct a search which produced a number of quality candidates for consideration, followed by an extensive interview process before an appointment was made.

Ms Jacqueline Hey was appointed to the Board in July 2011 as a non-executive director. Ms Hey is also a member of the Audit Committee, Risk Committee and Change Framework & Technology Governance Committee.

Ms Hey complements the existing skills and experience of the Board and brings a very distinctive background and perspective, particularly with her strong experience in technology, telecommunications, sales and marketing. These are all important drivers in the future success of the Company.

Ms Hey was CEO of Ericsson in the UK and in Australia and worked with Ericsson for more than 20 years in finance, marketing and sales and in leadership roles in Australia, Sweden, the UK and the Middle East. She is a Director of the Special Broadcasting Service (SBS) and Honorary Consul of Sweden for Victoria. Ms Hey is a former director of Ericsson Group Companies, Australian Industry Group (Victorian Branch) and Australian Mobile Telecommunications Association (also Head of Finance Committee).

The Board has assessed Ms Hey as independent.

Under Rule 56 of the Company's Constitution, any director (other than a Managing Director) appointed by the Board may hold office until the next AGM of the Company and is then eligible for election at that meeting. Accordingly, Ms Hey is seeking election at this AGM.

Recommendation: *The directors (excluding Ms Hey because of her interest) recommend the election of Ms Hey as a director.*

3. Amendments to the Constitution

A number of amendments are proposed to be made to the Bendigo and Adelaide Bank Constitution to reflect changes to the Corporations Act and developments in market practice since the Constitution was adopted by shareholders at an Extraordinary General Meeting in January 2008.

The principal amendments proposed are summarised below. A copy of the Constitution, marked up to show the proposed changes, can be obtained before the Annual General Meeting from the Company's website at www.bendigoadelaide.com.au. Alternatively, shareholders can obtain a copy by calling the Company's Share Registry on 1800 646 042 or by emailing share.register@bendigobank.com.au. A copy of the proposed amended Constitution will also be available for inspection at the Annual General Meeting.

3.1 Dividends

In 2010, amendments to the Corporations Act altered the rules relating to the payment of dividends. As a result, the former requirement that dividends be paid from profits has been replaced with a new test which requires a company to consider, amongst other things, the extent to which its assets exceed its liabilities.

Changes have been proposed to Rule 1, Rule 3, and Rule 85, and Rule 88 has been deleted to ensure that the provisions relating to the payment of dividends are consistent with the new rules. The main changes relate to the removal of references to the profits test, and the associated deletion of Rule 88 and the definition of 'Dividend' in Rule 1. Other minor changes clarify that the Board may either declare dividends or determine that dividends are payable, and the Board's capacity to decide how and when dividends are paid.

3.2 No Vacancy Rule

The Constitution of the Company currently permits the directors to set a limit on the number of directors on the Board to a number less than the maximum number specified in the Constitution. This would allow the directors to declare that there is no vacancy on the Board even if the maximum number of directors specified in the Constitution had not been reached.

With effect from July 2011, amendments to the Corporations Act impose new requirements on directors of public companies seeking to set a limit on the number of directors that is lower than the number specified in the company's constitution. Under the new law, directors must not set such a limit without the approval of shareholders by ordinary resolution.

Proposed changes to Rules 55 and 56 of the Constitution reflect these new requirements and provide that the Board may lower the specified maximum number of directors in accordance with the Corporations Act. It is also proposed to lower the current maximum number of directors on the Board from twelve to ten, to better reflect the Board's view of the optimal maximum number of directors.

3.3 Direct Voting

The Constitution of the Company allows the Board to determine that shareholders may deliver a vote on a resolution to be considered at a general meeting by direct vote, enabling shareholders to vote without attending the meeting or appointing a proxy. Amendments are proposed to a number of the provisions of the Constitution (Rule 1, Rule 8 and Rule 47) to clarify the operation of direct voting by shareholders.

Primarily, the amendments make clear that any direct votes cast by shareholders on a resolution are not counted in voting at the meeting on a show of hands, but are included in calculating the votes cast on that resolution on a poll. The provisions relating to direct voting contained in the Constitution have been supplemented by regulations adopted by the Board under Rule 49, which are available from the Company's website www.bendigoadelaide.com.au.

3.4 Partial Takeovers

Rule 104 of the Constitution currently provides that an offer for the Company made under a proportional takeover scheme must be approved by shareholders before it can proceed. The effect of the rule is that, if a partial takeover offer is received, the directors are required to convene a general meeting of the Company to vote on a resolution to approve the offer.

As a result, the majority of shareholders as a group can decide whether an offer that may enable control of the Company to be acquired by a party holding less than a majority interest and without shareholders having the opportunity to dispose of all of their shares, should be permitted to proceed. The rule only applies to partial offers and does not apply to an offer made for all the shares in the Company.

In order for this rule to remain in effect, the Corporations Act requires its renewal to be approved by shareholders every three years. The partial takeovers provision was last renewed by shareholders at the Company's Annual General Meeting in 2008. It is not proposed to seek the approval of shareholders to renew the provision at the Annual General Meeting in 2011 and, accordingly, it will expire on 27 October 2011.

As it will soon cease to have effect, it is proposed to delete Rule 104 from the Constitution. The Board's rationale for not seeking shareholder approval to renew the provision and its consequential deletion from the Constitution is explained further below.

Consistent with market practice in the banking sector, the Board has formed the view that the partial takeover rule is no longer necessary. In particular, it may impose an unwarranted restriction on the ability of individual shareholders to deal freely with their shares in the Company if a partial takeover offer for the Company is made.

The Board's view is that the best method for determining the merits of a partial takeover bid is for the Board to make a recommendation to shareholders based on the terms of the offer and the prospects of the Company independent of the bid in light of the circumstances prevailing at the time. Shareholders would then decide the appropriate outcome by letting the bid take its course. It is also worth noting that regulatory approvals would be required in connection with an offer for the Company, including the approval of the federal Treasurer for the acquisition of an interest of 15% or more of the Company.

The Board also considers that the requirement to obtain shareholder approval of a partial takeover offer may discourage such offers being made, thereby reducing opportunities for shareholders to sell their shares for an attractive price to a person seeking to obtain control of the Company.

3.5 Miscellaneous Changes

A number of minor miscellaneous amendments are also proposed to be made to the Constitution. These include:

- (a) updating references to names that have changed and Corporations Act terminology that is no longer in use; and
- (b) modernising provisions regarding the conduct of general meetings, the categories of persons who may participate in the Company's employee share plans and electronic notices to shareholders.

Recommendation: *The directors unanimously recommend that shareholders vote in favour of this resolution.*

4. Fees Payable to Non-Executive Directors ("NED")

In accordance with ASX Listing Rule 10.17 and Rule 57 of the Company's Constitution, any proposed increase in the total amount of fees payable to the non-executive directors of the Company must be approved by ordinary resolution of the Company in general meeting.

The Company is seeking shareholder approval to increase the maximum aggregate amount payable to all non-executive directors ("fee cap") by way of directors' fees by \$800,000 to \$2,500,000 per annum, being an increase of 47%.

The fee cap covers the following.

- All fees that are paid to the Company's non-executive directors for serving on the Company Board and Board committees.
- Any additional fees paid to directors who are directors of subsidiary or joint venture boards, paid by the Company or its subsidiaries. Currently, the Board pays additional fees for Company directors who are members of the Sandhurst Trustees Limited Board (the wealth management subsidiary of the Company) and the **Community Bank**® Strategic Advisory Board. In addition, Rural Bank Limited, a subsidiary of the Company, pays fees to its non-executive directors which include directors of the Company.
- Any additional fees for special services. Currently none are paid.
- Superannuation contributions that the Company is required to pay on behalf of the non-executive directors.

Why is the increase being proposed?

(a) Increase in fees paid

The current fee cap was last reviewed in 2008 following the merger between Bendigo Bank Limited and Adelaide Bank Limited. The current fee cap no longer provides the Board with the capacity to pay non-executive director fees that are commensurate with their responsibilities, time commitments and market relativities.

The Company is in the 51-100 segment of the ASX100 based on market capitalisation. Accordingly, the Governance & HR Committee has reviewed market and survey data of fee payments for companies in the 51-100 segment of the ASX100. This data was current to 31 October 2010. The data was adjusted upwards by a total of 15%, comprising 10% to take into account the time lag in information on fee increases and anticipated (conservatively

estimated) future fee increases in the market for the 2011 and 2012 years, and 5% to take into account that the percentage of banks and other financial services companies in the ASX100 is relatively low, and in particular, the greater regulatory complexity and demands that apply to banks. In addition, the Company has further regulatory requirements due to the business activities conducted by a number of its subsidiaries and joint ventures.

As the Company is in the financial services industry, and specifically the banking sector, the Governance & HR Committee also reviewed fee and fee limits for all banks in the ASX100, as well as other financial services companies and industrial companies with a market capitalisation similar to the Company. This data was based on 2010 annual reports.

The table below sets out the key data from those reviews against the current and proposed fees.¹

Company			Companies with comparative market capitalisation ²			All banks
	Current	Proposed (if the proposed fee cap is approved)	Market survey median	Other financial services companies	Industrial companies	
NED base fee	\$143,000	\$165,000	Current 91% Proposed 105%	Current 93% Proposed 108%	Current 78% Proposed 90%	Current 52% Proposed 61%
Chair base fee	\$286,000	\$412,500	Current 83% Proposed 120%	Current 102% Proposed 147%	Current 69% Proposed 100%	Current 42% Proposed 61%

¹ Current and proposed fees for the Company expressed as a percentage of the average fee payments in each category (other than for the 'market survey median' category which uses a median figure and is based on external survey data). The survey median includes committee fees. An adjustment has been made to the other comparative groups to include average committee fees to enable a like for like comparison. The Company does not pay committee fees in addition to the base fee.

As set out in the table, the review identified that the current annual director and chair fee payments are well below fee payments of companies of comparable size and market capitalisation, and significantly below other banks.

With the increase to be implemented if the proposed fee cap is approved, the director fees are positioned well below the aggregated fee arrangements of other banks, but aligned with industrial companies of a comparable market capitalisation. The fees will be slightly ahead of the market survey median and other financial services companies of a comparable market capitalisation.

In relation to the chair fees, the fees are again positioned well below the aggregated fee arrangements of other banks, but aligned with industrial companies of a comparable market capitalisation. The fees will be ahead of the market survey median and other financial services companies of a comparable market capitalisation.

The comparator group the board believes is most valid is other banks as a whole. While acknowledging that the major banks have a greater market capitalisation, the business of the Company is more aligned with the businesses of the major banks rather than other financial institutions. The Company and its subsidiaries carry on highly regulated and complex businesses, including banking, funds management, financial planning and advice and

superannuation, as well as various ancillary businesses such as margin lending and trustee services. These regulated and complex businesses add substantially to the responsibilities of the non-executive directors. Accordingly, while the proposed fees are above those of other financial institutions of similar market capitalisation, they are positioned at 61% of other banks as a whole. The board believes the fees are appropriate and reasonable in this context.

If shareholders approve the proposed fee cap, the actual fees paid will not increase to the maximum in one step; the proposed fee cap provides scope for future increases over time.

(b) Increase in number of directors to enable orderly renewal

The proposed amendments to the constitution discussed above set the maximum number of directors at ten. Following the AGM the number of directors will be nine. This enables scope and flexibility for an additional appointment if needed, and the appointment could be made within the revised fee cap.

The Board has adopted a renewal policy to ensure the progressive and orderly renewal of the Board, including for committee and Board chairs. Board members need a mix of tenure to ensure a periodic infusion of new members and to avoid large numbers of directors retiring together. Attracting the appropriate candidates and having an effective transition process are an essential component to the performance of the Board.

To ensure there is an orderly transition of responsibilities, the Board may appoint new directors before the retirement of existing directors. This would result in a short term increase in the number of non-executive directors and the aggregate fees paid to the non-executive directors.

Recommendation:

The Board does not make any recommendations in respect of this resolution given the interest of the non-executive directors in the resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

5. Remuneration Report

The full Annual Report for the financial year ended 30 June 2011 contains a Remuneration Report which sets out the remuneration policies for the Group and reports the remuneration arrangements that were in place for the directors and executives identified in the Remuneration Report.

A copy of the report is set out in the Directors' which forms part of the full Annual Report and is also available from the Company's website at www.bendigoadelaide.com.au/annualreport.

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.

The vote on this resolution is advisory only and does not bind the Company or its directors. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. In addition, under recent amendments to the Corporations Act, if a company receives 'no' votes of 25% against the remuneration report, it must include in the subsequent remuneration report an explanation of the board's proposed action in response. Furthermore, if a company receives 'no' votes of 25% against the remuneration report at two successive AGMs, then the company is required to put a board spill resolution to the vote at the second AGM. If the board spill resolution is passed, the company must hold a board spill meeting within 90 days of the second AGM. All directors other than the managing director cease to hold office immediately before the end of the board spill meeting unless they are re-elected at the spill meeting.

In May 2010, the Board adopted a new remuneration policy for the Company and a copy of the policy is available from the Company's website at www.bendigoadelaide.com.au. A summary of the policy is also contained in this year's remuneration report. The Company's remuneration policy and remuneration arrangements are aligned with our longer term strategic focus, our annual financial performance and take into account the level of risk associated with that performance.

A remuneration snapshot designed to present information on the Company's remuneration arrangements in a form that is easier to read and understand is included with the Remuneration Report. This includes a table setting out the actual value of remuneration received by senior executives for the year. The required statutory audited remuneration information is included in the detailed Remuneration Report.

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

Questions from Shareholders



Bendigoand
AdelaideBank

Register to be an eShareholder

Bendigo and Adelaide Bank wants to provide shareholders with access to quick, relevant information by text message and email as it comes to hand.

But first we need you to register your mobile number and email address at www.bendigoadelaide.com.au.

Once you're registered you'll receive electronically:

- Important dates
- Current shareholder publications
- The latest company announcements



Please cut and return

Question from shareholder

Please tick ☒ if it is a question directed to the Chairman or Auditor

Question is for ☐ Chairman or ☐ Auditor

1. _____

Question is for ☐ Chairman or ☐ Auditor

2. _____

Question is for ☐ Chairman or ☐ Auditor

1. _____

Shareholder Details

Name _____

Address _____

Shareholders are invited to ask questions of the Board about Company performance and management. We will endeavour to address questions of general interest to shareholders at the AGM. A summary of responses to commonly asked questions will be posted on the Company's website.

Shareholders are also invited to ask written questions of the auditor about the following matters:

- The content of the Auditors' Report to be considered at the AGM;
- or
- The conduct of the audit of the Financial Report to be considered at the AGM.

The questions will be passed on to the auditor and a reasonable opportunity will be allowed at the AGM for the auditor or their representative to answer the questions that have been submitted.

Please complete and return this form in the envelope provided together with the Proxy Form (if applicable). Alternatively, you may fax the form to the Company Secretary of the Company on (03) 5485 7668. Please also note that it will not be possible to send individual responses.

Questions from shareholders must be given to the Company by 5pm on 20 October 2011.

REMINDER

Change of Address Notification

If you have changed your address, please notify the Bank's Share Registry, Level 4, The Bendigo Centre, Bendigo, VIC, 3550.

Telephone: 1800 646 042

Facsimile: (03) 5485 7645

Email: share.register@bendigobank.com.au

Please Note

Securityholders sponsored by a broker (reference number which commences with 'X') should advise your broker of any changes.

Notice of 2011 Annual General Meeting

The Bendigo Centre PO Box 480, Bendigo, VIC, Australia, 3552.

Telephone: (03) 5485 7911 Facsimile: (03) 5485 7000

www.bendigoadelaide.com.au

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879



In an effort to reduce our paper consumption and impact on the environment, this Notice of Meeting has been printed on recycled paper using environmentally friendly inks.