

NOTICE OF 2016
ANNUAL GENERAL
MEETING

 **Bendigo and
Adelaide Bank**



ANNUAL GENERAL MEETING

Dear shareholder,

On behalf of the Board, I am pleased to invite you to attend the Bendigo and Adelaide Bank Limited (the "Bank") Annual General Meeting (the "AGM") on Tuesday 25 October 2016 at 11.00am at The Ulumbarra Theatre in Bendigo.

The AGM is an important event and I encourage you to participate by attending in person or through the webcast.

Enclosed are the following:

- Notice of AGM, including the business to be conducted and other important information; and
- your personalised Voting Form and a reply paid envelope.

All voting items will be decided on a poll.

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

If you are unable to attend the AGM in person, you can vote on any of the resolutions to be considered at the meeting by:

- casting a direct vote; or
- appointing a proxy.

You can submit your direct vote or proxy voting instructions online at www.votingonline.com.au/bendigoagm2016, or you can complete and return the hard copy of the Voting Form by post or fax. Instructions for completing the enclosed Voting Form are set out in the "Voting Information" section of the Notice of Meeting.

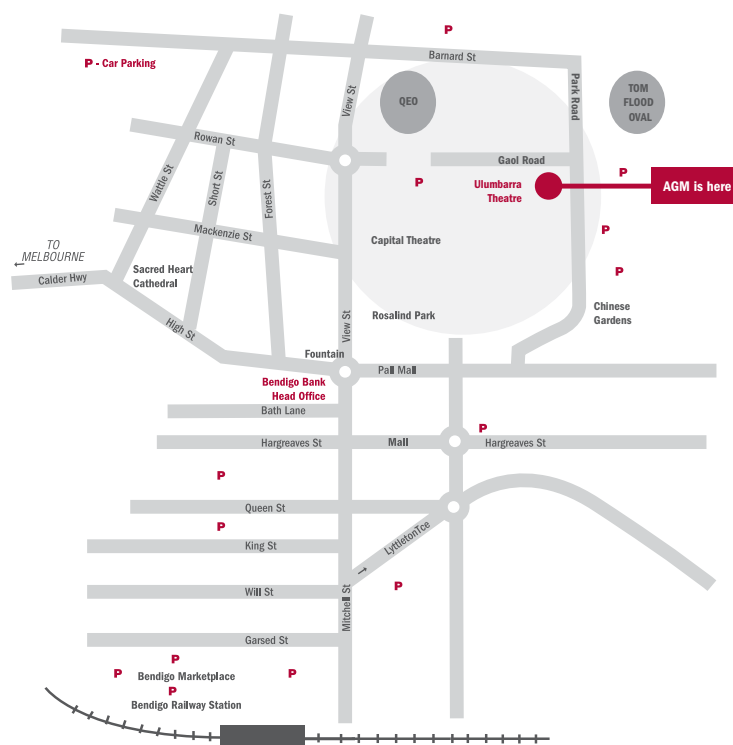
Shareholders who cannot attend the meeting can watch and listen to a webcast of the AGM by logging onto www.bendigoadelaide.com.au. You are invited to submit written questions to the Board using the space provided in the Notice of AGM, or by submitting a question online at www.bendigoadelaide.com.au/shareholders. There is also space to direct a question to the external auditor in relation to the external audit or the 2016 Annual Financial Report. A copy of the 2016 Annual Financial Report is available at www.bendigoadelaide.com.au.

Following the AGM, you are welcome to join directors and senior management for refreshments at The Ulumbarra Theatre. We look forward to meeting as many of you as possible.

Yours sincerely,



Robert Johanson
Chairman



NOTICE OF 2016 ANNUAL GENERAL MEETING

The Annual General Meeting (“AGM”) of Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the “Bank”) will be held in Bendigo on Tuesday 25 October 2016 at 11.00am at The Ulumbarra Theatre, Gaol Road, Bendigo. Registration desks will be open from 10.15am.

Business

1. Accounts and reports

To receive and consider the Bank’s financial report, Directors’ Report and report by the auditor for the financial year ended 30 June 2016.

2. Election of Ms Jan Harris as a director

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

“Ms Jan Harris, who retires from office under Rule 59 of the Bank’s Constitution, is elected as a director of the Bank.”

3. Re-election of Mr Rob Hubbard as a director

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

“Mr Rob Hubbard, who retires from office under Rule 72 of the Bank’s Constitution, is re-elected as a director of the Bank.”

4. Re-election of Mr Jim Hazel as a director

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

“Mr Jim Hazel, who retires from office under Rule 72 of the Bank’s Constitution, is re-elected as a director of the Bank.”

5. Re-election of Mr David Matthews as a director

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

“Mr David Matthews, who retires from office under Rule 72 of the Bank’s Constitution, is re-elected as a director of the Bank.”

6. Re-election of Mr Robert Johanson as a director

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

“Mr Robert Johanson, who retires from office under Rule 72 of the Bank’s Company’s Constitution, is re-elected as a director of the Bank.”

7. Remuneration Report

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

“The Remuneration Report for the Bank as set out in the Annual Financial Report for the financial year ended 30 June 2016 be adopted.”

Voting exclusion statement: The Bank will disregard any votes cast on item 7 by or on behalf of a member of the Key Management Personnel (KMP) listed in the Remuneration Report (and their closely related parties) unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the Voting Form; or
- by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

8. Approval of the Managing Director’s participation in the Employee Salary Sacrifice, Deferred Share and Performance Share Plan

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

“That the Bank approve grants of performance rights and deferred shares to the Managing Director under the Employee Salary Sacrifice, Deferred Share and Performance Share Plan as described in the Explanatory Notes accompanying this Notice of Meeting and, in accordance with ASX Listing Rule 10.14, any corresponding issue of ordinary shares in the Bank to the Bank’s Employee Share Plan Trust to be held on the Managing Director’s behalf.”

Voting exclusion statement: The Bank will disregard any votes cast on item 8 by or on behalf of Mr Hirst or any of his associates, as well as a member of the KMP (and their closely related parties) acting as proxy unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the Voting Form; or
- by the Chairman of the meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

Explanatory Notes and Voting Information

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

By Order of the Board
William Conlan
Company Secretary
30 August 2016

EXPLANATORY NOTES

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

Annual Financial Report

1. Accounts and reports

The Bank's 2016 Annual Financial Report (which includes the Financial Report, the Directors' Report and the Auditor's Report) is available from the Bank's website at www.bendigoadelaide.com.au/public/shareholders/annual_reports.asp.

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

At the AGM, the Chairman will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Report and the management of the Bank. The Chairman 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 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. Copies of these questions will be available to shareholders attending the AGM at the registration desk. In addition, a reasonable opportunity will be allowed at the AGM for the external auditor or their representative to answer the questions that have been submitted.

Election of directors - introduction

The Board seeks to appoint directors who contribute to the diversity of skills and backgrounds so that the Board can collectively oversee and govern the organisation and contribute, in a meaningful way, to the development and success of the business.

Earlier this year, the Board completed a rigorous process for the appointment of a new director that involved a review of the skills and experience on the Board. An external consultant was engaged to conduct the search which produced a number of quality candidates. This was followed by an extensive interview process before an appointment was made.

Ms Jan Harris was appointed as a non-executive director in February 2016 under Rule 59 of the Bank's constitution. Under this Rule any director (other than a managing director) appointed by the Board may hold office until the next AGM of the Bank and is then eligible for election at that meeting. Accordingly, Ms Harris is seeking election at this AGM.

Also this year, under Rule 72 of the Bank's constitution, Mr Rob Hubbard, Mr Jim Hazel, Mr David Matthews and Mr Robert Johanson will retire at the AGM and, being eligible, offer themselves for re-election. The Board has completed an assessment of each director standing for re-election and is recommending their re-election. Each of these directors continue to test and challenge the Bank's management team constructively and provide independent judgement on matters presented for Board decision.

The current membership of the Board represents a diverse set of backgrounds, skills, tenure and experience.

Profiles for each of the directors seeking election or re-election are set out below.

2. Election of Ms Jan Harris as a director

Jan Harris was appointed a non-executive director of the Bank on 2 February 2016 following a distinguished career in the Australian public service. Jan has had senior roles in the Department of the Treasury and the Department of Prime Minister and Cabinet, including most recently as Deputy Secretary at the Treasury.

Jan's exceptional experience across policy formulation, finance, markets and governance has brought additional breadth of skills to the Board.

While in the public service, Jan was a member of the Council of Financial Regulators, the Centre for International Finance and Regulation, the Financial Sector Advisory Council and the Board of the Australian Reinsurance Pool Corporation. Jan currently serves as a member of the Audit and Risk Committee of the Australian Security Intelligence Organisation.

Jan is a member of the Audit Committee and the Risk Committee.

Further details of Jan's qualifications, experience and other information relevant to her election are provided in the Directors' Report section of the 2016 Annual Financial Report. The Board has assessed Jan as independent.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

3. Re-election of Mr Rob Hubbard as a director

Rob Hubbard was appointed an independent, non-executive director of the Bank in April 2013. Rob chairs the Audit Committee and is a member of the Risk Committee.

Before joining the Board, Rob was a partner of accounting firm PwC. Rob has more than 20 years' experience in accounting, corporate finance, assurance and audit and was the lead auditor on several major ASX companies.

Rob is a non-executive director of several public companies, including Orocobre Ltd, Central Petroleum Ltd and Primary Health Care Ltd, and community-based organisations such as Opera Queensland and MS Research Australia. Rob is also a council member of the University of the Sunshine Coast.

Further details of Rob's qualifications, experience and other information relevant to his re-election are provided in the Directors' Report section of the 2016 Annual Financial Report.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

4. Re-election of Mr Jim Hazel as a director

Jim Hazel joined the Board in March 2010 and is an independent, non-executive director.

Jim chairs the Risk Committee and is a member of the Credit and Technology & Change Committees.

Jim has extensive experience in banking and finance, having worked in numerous banking roles including as a senior executive with Adelaide Bank in the 1990s.

Jim is well-known throughout his home state South Australia. He is a non-executive director of Ingenia Communities Group Ltd and a director of Centrex Metals Ltd, Adelaide Football Club Ltd, Motor Accident Commission and Coopers Brewery Ltd. Jim is also a council member of the University of South Australia.

Further details of Jim's qualifications, experience and other information relevant to his re-election are provided in the Directors' Report section of the 2016 Annual Financial Report.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

5. Re-election of Mr David Matthews as a director

David Matthews has been a member of the Board since March 2010. David is an independent, non-executive director and is a member of the Audit and Credit Committees.

Based in the Wimmera in western Victoria, David is a farmer with extensive experience in agribusiness. In addition to his own farming operations, David operates a grain trading business both domestically and internationally. He is also a director of Pulse Australia and Australian Grain Technologies.

David chaired the first **Community Bank**[®] company, based in Rupanyup and Minyip, and has served on the Board of that company since 1998. His long involvement with the **Community Bank**[®] model, including as a member of the **Community Bank**[®] Strategic Advisory Board, has strengthened his connection with local communities across Australia, particularly in regional and rural areas.

Further details of David's qualifications, experience and other information relevant to his re-election are provided in the Directors' Report section of the 2016 Annual Financial Report.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

6. Re-election of Mr Robert Johanson as a director

Robert Johanson has been a non-executive director since 1988 and Chairman since 2006. Robert is a member of the Governance & HR and Technology & Change Committees.

Robert Johanson is a banker and corporate advisor. He has played a pivotal role in guiding the Bank through significant change, economic cycles and regulatory reforms.

Robert is a director of Grant Samuel and MBD Energy Ltd and was, until recently, a member of the Takeovers Panel. He is deputy Chancellor of the University of Melbourne; he is chairman of the Australia India Institute and The Conversation Media Group.

The Board believes that Robert's continued involvement on the Board will be important as the Bank moves into the next stage of its development and responds to the many challenges and opportunities that will emerge.

Further details of Robert's qualifications, experience and other information relevant to his re-election are provided in the Directors' Report section of the 2016 Annual Financial Report. The Board has assessed Robert as independent.

Recommendation: The directors recommend that shareholders vote in favour of the resolution.

7. Remuneration Report

The Annual Financial Report for the financial year ended 30 June 2016 contains a Remuneration Report which sets out the Bank's remuneration policies 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 2016 Annual Financial Report and is available from the Bank's website at www.bendigoadelaide.com.au/public/shareholders/annual_reports.asp. 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 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.

A company that receives 'no' votes of 25 percent or more against the Remuneration Report at two successive AGMs must then put a "board spill" resolution to the vote.

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

8. Approval of the Managing Director's participation in the Employee Salary Sacrifice, Deferred Share and Performance Share Plan

Background

At last year's AGM, the Chairman announced that the Managing Director had agreed to extend his employment with the Bank. The equity based pay arrangements for the Managing Director, approved by shareholders in 2013, completed at the end of the 2016 financial year, to coincide with the end of his then fixed employment term. The Board is proposing to make new equity grants to the Managing Director consisting of deferred shares and performance rights under the Bank's Employee Salary Sacrifice, Deferred Share and Performance Share Plan (the "Plan").

The new equity grants would be issued in two equal tranches;

- the first, as soon as practicable after the 2016 Annual General Meeting;

and

- the second, as soon as practicable after 30 June 2017.

Under the proposal, the total number of deferred shares and performance rights to be granted for each tranche would be the same number of securities that were granted to the Managing Director under each annualised tranche since his appointment in 2009. More information on the proposed grants of deferred shares and performance rights is provided below.

Listing Rule 10.14 provides that a company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval, unless the securities are purchased on market under the terms of the scheme. Accordingly, shareholders are being asked to approve the proposed grants of deferred shares and performance rights to the Managing Director under the Plan.

Under the terms of the Plan, the Bank may satisfy the proposed grants by issuing new shares, or acquiring the shares on-market. While the Bank has not yet made any decision to issue shares to satisfy the proposed grants, shareholder approval under Listing Rule 10.14 is being sought to enable the Bank the flexibility to issue new shares to satisfy the proposed grants.

If the proposed grants are not approved by shareholders, the Bank intends that the value of the grants will be settled in cash, subject to the same performance, service and other conditions.

Terms of proposed grants to Managing Director

(a) Deferred shares grants

The Board is proposing to make two new grants of 76,219 deferred shares, the details of which are set out in the following table. Both grants will have a two year deferral period. Each grant is the equivalent number of deferred shares that the Managing Director has received for each year of his employment contract since he was appointed Managing Director in 2009.

Purpose of the proposed grants of deferred shares

The deferred shares grants are designed to:

- (i) align the Managing Director's long-term interests with the interests of shareholders; and
- (ii) provide an incentive for the retention of the Managing Director by making the benefit of the grants contingent on a minimum service period (subject to certain exceptions explained below).

Grant	Date of grant	Number of deferred shares	Vesting condition	Deferral period
FY17 Deferred Shares grant	As soon as practicable after the 2016 Annual General Meeting	76,219	Continued employment <small>Note: Also subject to risk adjustment at the discretion of the Board</small>	1 July 2016 to 30 June 2018
FY18 Deferred Shares grant	As soon as practicable after 30 June 2017	76,219	Continued employment <small>Note: Also subject to risk adjustment at the discretion of the Board</small>	1 July 2017 to 30 June 2019

It is intended that both grants will be allocated within 12 months of the date of the 2016 Annual General Meeting.

What is a deferred share?

A deferred share is a fully paid ordinary share in the Bank. The deferred shares are granted at no cost to the Managing Director.

The deferred shares will be held on trust for the deferral period, subject to the following conditions.

- service condition – continued employment for the duration of the deferral period; and
- risk adjustment – any adjustment the Board decides to make to take into account 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.

Except as explained below, if the Managing Director does not satisfy the service condition for a grant, those deferred shares will not vest and will be forfeited and the Managing Director will receive no value for the forfeited deferred shares.

What restrictions attach to the deferred shares?

While the deferred shares are held on trust, the Managing Director cannot sell, transfer, mortgage, pledge, assign, create a security or enter into a transaction designed to remove the 'at risk' element of the share. From the date the grant is made, the Managing Director will be entitled to vote, receive notices issued to shareholders by the Bank and to receive dividends paid on the deferred shares.

What if the Managing Director's employment with the Bank ends?

If the Managing Director's employment ends due to his resignation or the Bank ends his employment due to fraud, dishonesty, breach of legal duties or serious misconduct, all his deferred shares will be forfeited, unless the Board decides otherwise.

If the Managing Director's employment ends due to death, disability, bona fide redundancy or by agreement between the Bank and the Managing Director, the service condition will be treated as waived and the deferred shares will continue to be held on trust until the end of the deferral period, unless the Board decides otherwise.

(b) Performance rights grants

Overview of proposed grants

The proposed grants of performance rights will also be made in two tranches:

- the first, a grant of 76,219 performance rights to be issued as soon as practicable after the 2016 Annual General Meeting (the **FY17 Performance Rights grant**); and
- the second, a grant of 76,219 performance rights to be issued as soon as practicable after 30 June 2017 (the **FY18 Performance Rights grant**).

It is intended that both of the performance rights grants will be allocated within 12 months of the date of the 2016 Annual General Meeting.

Each grant of 76,219 performance rights is divided into three "sleeves":

- 22,865 performance rights (or 30% of the total number of performance rights in each grant) will be subject to a "Customer Hurdle";
- 26,677 performance rights (or 35% of the total number of performance rights in each grant) will be subject to an "EPS and TSR Hurdle"; and
- 26,677 performance rights (or 35% of the total number of performance rights in each grant) will be subject to a "TSR Hurdle";

More information on each of the hurdles is provided below.

Each grant will also be subject to the following:

- service condition; and
- risk adjustment, with any adjustment the Board decides to make to take into account 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.

Grant	Date of Grant	Total number of performance rights	First sleeve – Customer Hurdle	Second sleeve – EPS and TSR Hurdle	Third sleeve – TSR Hurdle	Service condition
FY17 Performance Rights grant	As soon as practicable after the 2016 Annual General Meeting	76,219 (split into three sleeves)	22,865 performance rights (30%) Performance period; 30.6.2016 – 30.6.2020	26,677 performance rights (35%) EPS performance period: 30.6.2016 – 30.6.2017 TSR performance period: 1.7.2016 – 30.6.2020	26,677 performance rights (35%) Performance period; 1.7.2016 – 30.6.2020	1.7.2016 – 30.6.2020
FY18 Performance Rights grant	As soon as practicable after 30 June 2017	76,219 (split into three sleeves)	22,865 performance rights (30%) Performance period; 30.6.2017 – 30.6.2021	26,677 performance rights (35%) EPS performance period: 30.6.2017 – 30.6.2018 TSR performance period: 1.7.2017 – 30.6.2021	26,677 performance rights (35%) Performance period; 1.7.2017 – 30.6.2021	1.7.2017 – 30.6.2021

What is a performance right?

Each performance right represents a right to one fully paid ordinary share in the Bank, provided the conditions described below have been satisfied. The performance rights are granted at no cost to the Managing Director, and the exercise price is nil. The maximum number of shares that may be acquired by the Managing Director is equal to the number of performance rights. 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).

What are the vesting conditions?

The number of performance rights that vest and convert into the Bank's shares at the end of the applicable performance periods will be determined as follows:

The Customer Hurdle – the first sleeve

22,865 performance rights of each grant (or 30% of the total number of performance shares in each grant) will be subject to the Customer Hurdle.

To satisfy the Customer Hurdle, the Bank's Net Promoter Score performance over the performance period must be better than the performance of a peer group of Australian banks.

The performance rights subject to the Customer Hurdle are also subject to the other conditions and the Board discretions described below.

What is the Net Promoter Score?

The Net Promoter Score (NPS) is a global industry standard to measure customer advocacy. Customers are asked to rate their likelihood of recommending a particular financial institution to their family and friends, on a 10 point scale. NPS is calculated by subtracting the proportion of detractors (those rating between 1-6) from the proportion of promoters (those rating between 9-10), resulting in an overall NPS score. We source the underlying data from Roy Morgan Research, who survey around 50,000 consumers annually.

The EPS and TSR Hurdle – the second sleeve

26,677 performance rights of each grant (or 35% of the total number of performance rights in each grant) will be subject to the EPS and TSR Hurdle.

The EPS and TSR Hurdle has two steps, both of which must be satisfied.

Step 1: EPS Performance measure

The Bank's cash EPS performance for the EPS performance period must be equal to or better than the cash EPS performance for the financial year before the EPS performance period.

Step 2: TSR performance measure

Subject to the EPS performance measure being met, if the Bank's TSR performance over the TSR performance period is:

- at or below the median TSR performance of a peer group consisting of the ASX100 Companies (excluding property trusts and resources) over the same period, the performance rights will not vest;
- between the median and the 75th percentile of the same peer group's TSR performance over the same period, straight-line vesting in accordance with the table below; or
- better than the 75th percentile of the same peer group's TSR performance over the same period, all of the performance rights will vest.

TSR performance against peer group	Percentage of performance rights that vest
At or below the 50%	0%
At 50.1%	60%
Between the 50.1% and 75%	Straight-line vesting: • starting at 60%; and • reaching 100% at the 75th percentile.
Above the 75th percentile	100%

The performance rights subject to the EPS and TSR Hurdle are also subject to the other conditions and the Board discretions described below.

The TSR Hurdle – the third sleeve

26,677 performance rights of each grant (or 35% of the total number of performance rights in each grant) will be subject to the TSR Hurdle.

The TSR Hurdle is measured using a single test, set out below.

Subject to the other conditions and the Board discretions described below, if the Bank's TSR performance over the TSR performance period is:

- at or below the median TSR performance of a peer group consisting of the ASX100 Companies (excluding property trusts and resources) over the same period, the performance rights will not vest;
- between the median and the 75th percentile of the same peer group's TSR performance over the same period, straight-line vesting in accordance with the table below; or
- better than the 75th percentile of the same peer group's TSR performance over the same period, all of the performance rights will vest.

TSR performance against peer group	Percentage of performance rights that vest
At or below the 50%	0%
At 50.1%	60%
Between the 50.1% and 75%	Straight-line vesting: <ul style="list-style-type: none"> • starting at 60%; and • reaching 100% at the 75th percentile.
Above the 75th percentile	100%

Other conditions

The rights are also subject to the Managing Director's continued employment with the Bank ("service condition"). The service condition for each grant of performance rights is four years. 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 three sleeves described above, unless the Board exercises its discretion otherwise.

If the Managing Director ends his employment with the Bank prior to July 2019 the Board may exercise a discretion to shorten the Customer Hurdle performance period, the TSR performance period and the service condition to a period of three years.

In addition to the adjustments described above, the Board may make any additional risk adjustment to take into account 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.

Is there retesting?

No, there is no retesting. For each sleeve, if the hurdle is not met the performance rights subject to the hurdle will lapse.

What if the Managing Director's employment with Company ends?

If the Managing Director's employment ends due to his resignation or the Bank ends his employment due to fraud, dishonesty, breach of legal duties or serious misconduct, all his performance rights will lapse.

If the Managing Director's employment ends due to death, disability, bona fide redundancy or by agreement between the Bank and the Managing Director, the service condition will be treated as waived and the performance rights will continue on foot subject to their terms (including satisfaction of the hurdles), unless the Board determines otherwise.

Additional required information

The Managing Director, Mike Hirst, is the only director entitled to participate in the Plan and there is no loan scheme in relation to the Plan.

The deferred shares and performance rights form part of the Managing Director's remuneration. Therefore, no price is payable by the Managing Director for the allocation of the grants.

In accordance with the approvals obtained at the 2013 Annual General Meeting, the Bank issued 152,438 deferred shares and 152,438 performance rights to the Managing Director. The exercise price of these securities was nil. The Managing Director satisfied the service condition and other conditions associated with the deferred shares and the Board determined that all of the Managing Director's 152,438 deferred shares vested. The TSR performance testing conditions associated with the performance rights were not satisfied and the Board determined that all of the Managing Director's 152,438 performance rights lapsed.

The non-executive directors consider the proposed remuneration arrangements for the Managing Director, including the proposed equity grants, to be reasonable and appropriate having regard to the Bank's circumstances and the duties and responsibilities of the Managing Director.

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

VOTING INFORMATION

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 Bank at 11am on Sunday 23 October 2016 (Australian Eastern Daylight Saving Time). 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 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 Bank requires satisfactory written evidence of a representative's appointment to be lodged with, or presented to, the Bank's Share Registry before the AGM (the evidence may be given to the Bank by mail, in person or by facsimile, at the addresses set out in Step 4.1 of the following table).

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. To obtain a copy of the direct voting regulations adopted by the Board, please contact the Share Registry on 1800 646 042.

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

	Option A - direct voting	Option B - voting by proxy
Step 1: Choose how to vote		
	Mark box A to cast a direct vote	Mark box B to vote by proxy
1.1 Mark box A or B	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 (or, if no person is named as your proxy, the Chairman of the meeting), to vote on your behalf.	
1.2 Appointing a proxy	You do not need to appoint a proxy if you elect to vote by direct voting, as you are treated as voting yourself.	An ordinary shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A proxy need not be a shareholder of the Bank and can be an individual or a body corporate.
1.3 Appointing two proxies	This is not relevant for direct voting.	You may appoint up to two proxies to attend the meeting and vote on your behalf. If you want to appoint a second proxy: <ul style="list-style-type: none"> (a) Either obtain an additional Voting Form from the Bank'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); (b) 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; and (c) Return both Voting Forms together in the same envelope or, if you use the online facility to appoint a proxy, follow the prompts for appointing two proxies.

Option A - direct voting

Option B - voting by proxy

1.4 Choosing your proxy

This is not relevant for direct voting.

Choose who you want to appoint as your proxy by marking or completing the appropriate box under Option B.

- If you wish to appoint the Chairman of the meeting as your proxy, mark the box under Option B;
- If you wish to appoint someone other than the Chairman, write the name of that person or body corporate in the space provided. Do not write the name of the Bank or your own name in this space.

See the voting exclusion statement in items 7 and 8 about the restrictions that apply if you appoint a proxy.

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.

Step 2: Complete your voting instructions

2.1 Voting instructions

Completing the voting instructions is the same for direct voting and voting by proxy. You may vote yourself (ie, make a direct vote) or tell your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All voting at this year's AGM will be conducted by poll.

Where you provide voting instructions to your proxy:

- If the Chairman of the meeting is your proxy, then the Chairman must cast your vote on a poll in accordance with your instructions;
- If you appoint someone other than the Chairman of the meeting as your 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 as per your instruction, your proxy will pass to the Chairman and the Chairman must cast your vote on the poll in accordance with your instructions.

2.2 All or a portion of votes

On a poll, all your securities will be voted in the way directed 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, 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 for that item.

2.5 Not marking any box

If you do not mark any box for an item, this has the same effect as abstaining (explained above).

If you do not mark any box for an item, your proxy may vote as they choose on that item. However, if you have appointed a person excluded from voting on items, other than the Chairman, and you do not direct them how to vote on items 7 and 8, your vote will not be counted in calculating the required majority on that item.

The Chairman of the meeting will vote undirected proxies held by the Chairman in favour of all resolutions.

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.

* The Board has decided that a poll will be conducted on each voting item at the 2016 AGM.

Step 3: Authorise your voting instructions

3.1 Authentication or signing the Voting Form

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.

If you lodge by mail, in person or by facsimile, the Voting Form must be signed in the spaces provided.

- Individual: If the holding is in one name, the holder must sign.
- Joint holding: If the holding is in more than one name, any one holder may sign.
- Companies: 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 Bank with the Voting Form. You cannot give the power of attorney to the Bank by electronic means.

Step 4: Give the Company your Voting Form

4.1 Receipt of Voting Form

The Voting Form must be received by the Bank's Share Registry not later than 48 hours before the start of the meeting ie, by 11am (Australian Eastern Daylight Saving Time) on Sunday 23 October 2016. Any Voting Form received after that time will not be valid for the meeting.

The Voting Form may be given to the Bank in any of the following ways.

- **By mail:** Use the reply paid envelope (Boardroom P/L); or send in your envelope to Share Registry, Level 4, The Bendigo Centre, Bendigo, Victoria, 3550.
- **In person:** Bank's Share Registry at Level 4, The Bendigo Centre, Bendigo, Victoria.
- **By facsimile:** 61 2 9290 9655
- **Online:** Follow the instructions on the website www.votingonline.com.au/bendigoagm2016. You will need the information shown on the front of the Voting Form to register your direct vote or proxy online.

QUESTIONS FROM SHAREHOLDERS

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

Shareholders are also invited to ask written questions of the auditor about the content of the Auditor's Report or the conduct of the audit of the 2016 Annual Financial Report to be considered at the AGM.

These 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 respond.

To ask a question, please complete the form below and return it by 5pm on Tuesday 18 October 2016 using the envelope provided, email it to the Company Secretary at share.register@bendigoadelaide.com.au or fax it to (03) 5485 7655.

Question 1 is for Chairman or Auditor

Question 2 is for Chairman or Auditor

Name:

Address:
