Bendigo Bank

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

15 AUGUST 2005

Bonus Share Scheme Terms and Conditions

Revised Terms and Conditions for the Bonus Share Scheme of Bendigo Bank Limited approved on 15 August 2005.

David Oataway
Company Secretary
Bendigo Bank Limited

ABN 11 068 049 178
Level 2, Fountain Court, Bendigo
Telephone: (03) 5433 9282 Facsimile: (03) 5433 9471
Website: www.bendigobank.com.au

BONUS SHARE SCHEME

TERMS AND CONDITIONS

The following are the Terms and Conditions applicable to Bendigo Bank Limited's Bonus Share Scheme (the ***Scheme***).

Participation in Scheme

1.1 The Directors shall admit to participation in the Scheme an applicant who by application in writing in a form prescribed or approved by the Directors requests that:-

a. such number of Bendigo Bank Limited (***Bendigo Bank***) fully paid ordinary shares (***shares***) as is specified in the application be participating shares in the Scheme (***Participating Shares***);
b. such Participating Shares not be entitled to participate in any dividend declared by Bendigo Bank; and
c. the applicant be issued such number of shares as may be determined in accordance with Rule 2.1,
(each such applicant being a ***participating shareholder***).

1.2 All shareholders are eligible to participate in the Scheme except:-

a. a shareholder who is subject to the laws of a country or place other than Australia who may not be eligible to participate in the Scheme because of legal requirements that apply in that country or place; or
b. as otherwise provided in these Terms and Conditions.

1.3 A participating shareholder may by notice in writing in a form prescribed or approved by the Directors:-

a. withdraw from the Scheme; or
b. increase or reduce the number of shares held by that participating shareholder which are Participating Shares.

1.4 Where an application specifies the number of shares to be Participating Shares:-

a. the application shall be deemed to apply to all the shares of which the applicant subsequently becomes the holder under the Scheme; and
b. the applicant may in the application direct that all or any other shares of which the applicant subsequently becomes the holder shall be Participating Shares.

1.5 Where an application does not specify the number of shares to be Participating Shares, the application shall be deemed to apply to all of the shares then held by the applicant and all of the shares of which the applicant subsequently becomes the holder whether or not acquired under the Scheme.

1.6 A Participating Share shall cease to be a Participating Share:-

a. upon registration of a transfer or transmission of that share;
b. upon receipt by Bendigo Bank of a notice in a form prescribed or approved by the Directors stating that the holder thereof desires that the Participating Share should cease to be a Participating Share; or
c. if the holder of that Participating Share becomes an Insolvent under Administration within the meaning of the Corporation Act.

1.7 A share which has ceased to be a Participating Share may again become a Participating Share on the acceptance by Bendigo Bank of an application by the same or subsequent holder of that share.

1.8 An application or notice given to Bendigo Bank under this Scheme must be in such form (if any) as the Directors prescribe or approve from time to time and must :

a. where the Participating Shares are held by joint shareholders, be signed by all holders; and
b. to be effective in respect of a dividend, be received by Bendigo Bank by the Record Date for that dividend.

1.9 The issue of shares under this Scheme is subject to Bendigo Bank's Constitution.

Operation of Scheme

2.1 Whenever Bendigo Bank declares a dividend on its shares, each person who is a participating shareholder at the time of the Record Date for that dividend shall be entitled to have issued to him as fully paid the number of ordinary shares in Bendigo Bank that is determined by the application of the following formula:-

$$\frac{\mathbf{A \times B}}{\mathbf{C}}$$

where:
"A" is the number of shares that are Participating Shares;
"B" is the amount of that dividend in cents per share; and
"C" is the value of each share to be issued under the Scheme for each dividend, which will be the volume weighted average price of Bendigo Bank fully paid ordinary shares sold in the ordinary course of trading on the Australian Stock Exchange during the ten trading days after the Record Date for that dividend, rounded to the nearest cent.

2.2 The determination of value under Rule 2.1 by the Directors or their delegate will be binding on all participating shareholders.

2.3 Where the application of the formula in Rule 2.1 results in a fractional entitlement, the fractional entitlement shall be rounded up to the next whole number.

Issue of Shares

3.1 Wherever a share is to be issued to a participating shareholder under the Scheme, the Directors shall issue the share to the participating shareholder on, or as soon as practicable after, the relevant Dividend Payment Date.

3.2 All shares issued under the Scheme will rank equally, in all respects, with all other Bendigo Bank fully paid ordinary shares then on issue and will be eligible to participate in all dividends subsequently declared by Bendigo Bank, subject to Rule 4.2. After the issue of any shares under this Scheme, Bendigo Bank will apply promptly for the shares so issued to be admitted to quotation by Australian Stock Exchange Limited.

3.3 Whenever Bendigo Bank issues shares to a participating shareholder under the Scheme, Bendigo Bank shall send to that participating shareholder as soon as practicable notice of the issue of such shares.

3.4 No brokerage, commission, or other transaction costs will be payable by participating shareholders on shares issued under the Scheme and no stamp or other duties will under present law be payable by participating shareholders in respect of the issue of shares under the Scheme.

Level of Participation

4.1 A participating shareholder may elect one of the two levels of participation in the Scheme.

a. ***Full Participation***
A shareholder may participate in the Scheme in respect of all shares registered in the name of the shareholder as at each Record Date for a dividend, other than shares in respect of which a full dividend is not then payable.

b. ***Partial Participation***
A shareholder may nominate a specific number of Participating Shares less than the total holding of that shareholder, other than shares in respect of which a full dividend is not then payable.

4.2 All shares issued to the holder under the Scheme will be added to the number of shares nominated as participating in the Scheme. Where, through sale or transfer, the number of shares held by a participating shareholder becomes less than the number nominated as participating in the Scheme, that holder will be deemed to have elected full participation until the number of shares held by that holder (including those issued under the Scheme) again exceeds the number of shares nominated as Participating Shares.

Modification and Termination of the Scheme

5.1 The Directors may modify or terminate the Scheme and these Terms and Conditions from time to time. The Directors may resolve any difficulties which arise in any way they think appropriate and may also adopt any such administrative procedures they may think appropriate.

5.2 In case of such modification, Bendigo Bank will advise members in writing and existing participating shareholders will continue to participate under the modified Scheme unless Bendigo Bank is notified to the contrary by notice of variation on the form issued by Bendigo Bank.

5.3 The Directors shall have the right not to proceed with an issue of shares under the Scheme in respect of any particular dividend if it is considered advisable not to do so and in such a case the Participating Shares will be deemed to participate in dividends declared by Bendigo Bank and a dividend will be paid by cheque or electronic funds transfer to the participating shareholder.

General

6. Bendigo Bank:-

a. does not assume liability for any taxes or other imposts assessed against or imposed upon a participant; and

b. does not warrant that a participant will gain any taxation advantage by participation in the Scheme.

As individual circumstances and laws vary considerably, specific taxation advice should be obtained by participating shareholders.

7 The Scheme was approved by a resolution at the Annual General Meeting of Bendigo Building Society (Bendigo Bank) on 24 October 1988 and came into effect on 1 July 1989.

8 The terms of the Scheme are governed by and shall be construed in accordance with the laws of the State of Victoria and each participating shareholder submits to the exclusive jurisdiction of the Courts of that State.

9 The Scheme will not apply in any case where, in accordance with the Terms and Conditions, the Constitution of Bendigo Bank or otherwise by law, the Directors are entitled to retain all or part of a dividend that, but for the participating shareholder's election to participate in the Scheme in respect of Participating Shares, would be payable in respect of Participating Shares, or where Bendigo 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.