

# ASX Lodgement



7 June 2013

## **Bendigo and Adelaide Bank (BEN) group trading policy**

In accordance with ASX Listing Rule 12.10, following is the BEN group trading policy incorporating amendments approved by the BEN board on 4 June 2013.

**William Conlan**  
**Company Secretary**  
**Bendigo and Adelaide Bank Limited**

# Bendigo and Adelaide Bank Group

## Trading policy

### Overview

#### Application

This policy applies to employees and directors of Bendigo and Adelaide Bank and its wholly-owned subsidiaries (the Group).

#### Background – insider trading

Bendigo and Adelaide Bank Group directors, executives and employees may have information that could have a material effect on the price or value of Bendigo and Adelaide Bank securities or the securities of other companies and entities.

If this information is unpublished, the Corporations Act restricts you from doing any of the following.

- Trading (applying for, acquiring, or disposing of the securities) or procuring someone else to trade in those securities.
- If the securities are listed, communicating the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities.

In addition, the Corporations Act prohibits directors, officers and employees from gaining advantage for themselves or someone else through the improper use of their position or improper use of information obtained because of their position.

Penalties are imposed for a breach of these provisions and a criminal offence may be committed. Compensation may also be payable to third parties who suffer a loss.

The Corporations Act and the ASX listing rules require disclosure of trading in a company's securities by its directors.

#### The policy

This document sets out a trading policy for Bendigo and Adelaide Bank Group directors and staff.

*This policy is only a summary of complex legislative provisions, and should only be used as a general guide, not as legal advice. For corporate governance purposes, the policy also imposes obligations beyond those imposed by law. It remains the responsibility of each director and employee to make sure that they do not do anything prohibited by the Corporations Act. If you have any questions about this policy please contact Corporate Secretariat.*

The policy makes the distinction between “designated officers” and all other employees. You are only a designated officer if you are in the category of persons listed in clause 1. A “designated officer” generally is a person who is in a position that by its nature brings the person into contact with confidential information about Bendigo and Adelaide Bank regularly.

*If you are a designated officer, the following provisions apply to you.*

- Part A: Trading policy – designated officers (clauses 2–8).
- Part C: Explanation – all officers and employees (clauses 10–15)
- Part D: Other dealing (clauses 16-18).

If you are *not* a designated officer, the following provisions apply to you.

- Part B: Trading policy – all other employees (clause 9).
- Part C: Explanation – all officers and employees (clauses 10-15)
- Part D: Other dealing (clauses 16-18).

## Policy

### Part A - trading policy – designated officers

**1. Who is a designated officer?**

The following are designated officers.

Note: See clause 15 which extends the restrictions in Part A to persons associated with designated officers.

- Directors of Bendigo and Adelaide Bank.
- Members of the Bendigo and Adelaide Bank Executive Committee.<sup>1</sup>
- Directors of any subsidiaries designated from time to time by the board.

Directors of the following subsidiaries have been designated at the date of last review of this policy.

- Rural Bank Limited.
- Sandhurst Trustees Limited.
- Other employees designated from time to time by the board.

The following employees have been designated at the date of last review of this policy.

- All employees working in Company Secretariat.
- All employees working in Public Relations.
- All employees working in Investor Relations.
- All employees working in the Finance Department.
- All employees working in Group Assurance.
- Direct reports of the Managing Director.
- Personal assistants of Executive Committee members.

**2. When can a designated officer trade in Bendigo and Adelaide Bank securities?**

The following table sets out when a designated officer can trade in Bendigo and Adelaide Bank securities.

Trading is not permitted during a black-out period (clause 3), unless an exception below applies or consent is given under the procedures below (clause 5).

See clause 4 about when notice of trading is required.

	Circumstance	Time	
		During blackout period	At any other time
<b>A</b>	<b>You have price sensitive information - can you do the following?</b>		
A1	<p><b>Employee/executive incentive schemes</b></p> <p>Apply for or acquire shares or interests in shares in Bendigo and Adelaide Bank under an employee share plan or executive incentive plan</p> <p>Exercise options granted under an employee or executive incentive plan.</p> <p>This exception only allows you to apply for, or acquire, the shares or interests in shares under the rules of the relevant plan. The exception does not apply to trading after that acquisition or application.</p>	<p>✓ Exception to insider trading in Corporations Regulations 9.12.01(b).</p>	
A2	<p><b>Offer to all shareholders</b></p> <p>Acquire shares under an offer or invitation made to all or most shareholders in Bendigo and Adelaide Bank</p> <p>Examples: rights issue, share purchase plan, equal</p>	<p>✓ In all cases, based on equal information defence or relief (s1043M(2)(b) and s1043N) for insider</p>	

<sup>1</sup> Executive committee members are "key management personnel" within the meaning of Accounting Standard AASB 124 Related Party Disclosure.

	access buy-back scheme or dividend or distribution reinvestment plan. In the case of a dividend or distribution reinvestment plan, the exception applies if you elected to participate in the plan outside the black-out period and when you did not have price sensitive information.	trading. In addition, in the case of a DRP, the person does not apply for, acquire, dispose of shares or procure another person to do so at the time the person possesses the information.	
A3	<b>New director</b> You are a new director of Bendigo and Adelaide Bank and you acquire shares in the Bank to meet the requirement in the Bank's constitution to hold a share qualification.	✓ Exception to insider trading in Corporations Regulations 9.12.01(a).	
A4	<b>Sale under security interest</b> Securities are sold under a mortgage or charge of the securities, or under a mortgage, charge, pledge or lien of documents of title to the securities.	✓ Exception in Corporations Regulations 9.12.01(e).	
A5	Anything else?	✘	
<b>B</b>	<b>You do <u>not</u> have price sensitive information - can you do the following?</b>	<b>During blackout period</b>	<b>At any other time</b>
<b>B1</b>	Any of the things in items A1, A2, A3, A4	✓ As a policy matter Bendigo Bank does not prohibit these things	✓ As no price sensitive information this is not insider trading
<b>B2</b>	Give an undertaking to accept or accept a takeover offer		
<b>B3</b>	Transfer of securities you hold into a superannuation fund or other saving scheme in which you are a beneficiary.		
<b>B4</b>	Anything else?	✘ As a policy matter Bendigo Bank prohibits all other trading during a black out period, unless you get consent under clause 5	

**3. What are the Black-out periods?**

There are two types of black-out period that apply as set out below.

**(a) Automatic black-out period:** 10 weeks before any of the following until the next business day after the day on which the announcement is made.

- The date of release of the half year announcement to ASX
- The date of release of the full year announcement to ASX.

**(b) Board-imposed black-out period:** The board of Bendigo and Adelaide Bank may impose a black-out period for designated officers by notice at any time. The black-out period is subject to the exceptions set out above and any other exceptions the board decides.

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**4. Notice procedure**

**4.1 Notice:** The following designated officers must give a written notice (in any required form) to the person set out below, in each case through Corporate Secretariat, in each of the following cases, unless an exception in clause 4.2 applies.

Note: See clause 15 which extends the restrictions in Part A to persons associated with designated officers. This means you must also give notice before and after these persons trade.

- (a) Before trading, of the intention to trade. The form of notice includes confirmation that the person is not in possession of unpublished price sensitive information (see clauses 10-12 for an explanation).
- (b) Immediately after trading, to confirm the transaction.

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**Bendigo and Adelaide Bank securities**

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<i>Designated officer</i>	<i>Person to be told</i>
Chairman	Chairman of Governance & HR Committee
All other Directors	Chairman
Executive Committee members	Managing Director
All other designated officers	Company Secretary

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All notifications must be reported to the board in the Corporate Secretariat report.

**4.2 Exceptions:** The following exceptions to the notice requirement apply.

- In the case of an acquisition under a dividend or distribution reinvestment plan (clause 2, items A2 and B1).  
*For employees:* No notice is required.  
*For directors:* No notice is required before an acquisition, but immediate notice is still required after an acquisition (as the acquisition must be reported to ASX).
  - In the case of an acquisition under an offer or invitation made to all or most shareholders in Bendigo and Adelaide Bank (eg rights issue, share purchase plan, equal access buy-back scheme or dividend or distribution reinvestment plan) (clause 2, items A2 and B1)  
*For employees:* No notice is required.  
*For directors:* No notice is required before an acquisition, but immediate notice is still required after an acquisition (as the acquisition must be reported to ASX).
  - In the case of an application for, or acquisition of, shares under an employee share plan or following the exercise of options granted under an executive incentive plan (clause 2, items A1 and B1).  
*For employees:* No notice is required.  
*For executive directors:* No notice is required before an acquisition, but immediate notice is still required after an acquisition (as the acquisition must be reported to ASX).
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<p><b>5. Exceptional circumstances - consent procedure</b></p>	<p><b>5.1 Request:</b> If there are exceptional circumstances and you want to trade during the black-out period, unless you come within an exception set out above (clause 2) you must obtain consent <i>before</i> trading.</p> <p><b>5.2 Consent:</b> Consent to acquire securities will not be given. Consent to dispose of securities will only be given if the person set out in clause 4 forms an opinion that one of the following applies.</p> <ul style="list-style-type: none"> <li>• Severe financial hardship. Example: A pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities.</li> <li>• Other exceptional circumstances. Example: A court order or court-enforceable undertaking.</li> </ul> <p>Consent will only be given if you confirm you are not in possession of price sensitive information.</p> <p>The consent will apply for the period of time advised to you.</p> <p>Note: The circumstances and time period will be discussed with you. It is unlikely the time period will be greater than 1 week.</p> <p>Consent may also be subject to conditions.</p> <p><b>5.3 Procedure:</b> You must apply in writing for the consent of the person set out in clause 4, set out the circumstances you believe justify the request, and confirm that you do not have price sensitive information. The consent must be given in writing before you trade.</p> <p>The request may be made, and the consent may be given, by electronic means.</p> <p>Any consents must be reported to the board in the Corporate Secretariat report.</p>
<p><b>6. Additional restriction – short term trading</b></p>	<p>A designated officer may not engage in short term trading in securities in Bendigo and Adelaide Bank. You may not trade in securities of Bendigo and Adelaide Bank with a view to making a profit in trading. For this purpose, “short term” trading means selling securities within 6 months of buying them.</p>
<p><b>7. Additional restriction - transactions or arrangements which limit the economic risk of participants in an executive incentive plan</b></p>	<p>A participant in an executive incentive plan may only enter into a transaction to remove the “at risk” element of an entitlement under the plan if both of the following requirements are met.</p> <p>(a) The entitlement has vested.</p> <p>(b) Any restriction period imposed by the Board on dealing with vested shares has ended or been lifted.</p> <p><i>An example of a transaction or arrangement designed to remove the “at risk” element of an entitlement is a hedging agreement.</i></p> <p>Note: The Corporations Act and regulations also impose an obligation on a member of key management personnel (and a closely related party of key management personnel) from entering into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of the member to risk relating to the member’s remuneration that has not vested in the member or has vested in the member but remains subject to a holding lock. It is an offence by the member of key management personnel (or their closely related party) to breach this restriction. See Corporations Act s206J and Corporations Regulation 2D.7.01</p>
<p><b>8. Additional restriction - margin loan facilities</b></p>	<p>A designated officer who is a director or member of the Executive Committee may not include his or her Bendigo and Adelaide Bank securities in a margin loan portfolio.</p>

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## Part B - trading policy – all other employees

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### 9. Trading in Bendigo and Adelaide Bank securities

#### 9.1 Restriction

- You may only trade in Bendigo and Adelaide Bank securities if you do not have unpublished price sensitive information.

Note: See clause 15 which extends the restrictions in this to persons associated with employees.

*Examples of information you may have that means this requirement is not met include the following.*

- *A proposed acquisition or alliance by Bendigo and Adelaide Bank.*
- *A proposed capital raising by Bendigo and Adelaide Bank.*

#### 9.2 Exceptions

The following exceptions apply even if you have unpublished price-sensitive information.

- An application for, or acquisition of, shares or interests in shares in Bendigo and Adelaide Bank under an employee share plan or the exercise of options granted under an executive incentive plan. This exception only allows you to apply for, or acquire, the shares or interests in shares under the rules of the relevant plan. The exception does not apply to trades after that acquisition or application.

Note on exception: Exception in Corporations Regulations 9.12.01(b).

- An acquisition under an offer or invitation made to all or most shareholders in Bendigo and Adelaide Bank (eg rights issue, share purchase plan, equal access buy-back scheme or dividend or distribution reinvestment plan). In the case of a dividend or distribution reinvestment plan, the exception applies if you elected to participate in the plan outside the black-out period and when you did not have price sensitive information.

Note on exception: In all cases, based on equal information defence or relief (s1043M(2)(b) and s1043N). In addition, in the case of a DRP, the person does not apply for, acquire, dispose of shares or procure another person to do so at the time the person possesses the information.

- A sale of securities under a mortgage or charge of the securities, or under a mortgage, charge, pledge or lien of documents of title to the securities.

Note on exception: Exception in Corporations Regulations 9.12.01(e).

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## Part C - Explanation – all officers and employees

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<b>10. What is information?</b>	<p>The Corporations Act says that “information” <i>includes</i> the following.</p> <p>(a) Matters of supposition and other matters that are insufficiently definite to warrant being made known to the public.</p> <p>(b) Matters relating to the intentions, or likely intentions, of a person.</p> <p>Information does not need to come from the Group (or from your role at Bendigo and Adelaide Bank) – it can come from anywhere.</p> <p><i>Example: A proposal to enter into a corporate transaction (eg an alliance or acquisition), even though it is not definite that Bendigo and Adelaide Bank will enter into the transaction. For example, the acquisition might be subject to due diligence or board approval.</i></p>
<b>11. What is price sensitive information?</b>	<p>Price-sensitive information is information that may have a material effect on the price or value of Bendigo and Adelaide Bank securities.</p> <p>This means information that would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the securities.</p>
<b>12. What is unpublished information?</b>	<p>Under the Corporations Act, unpublished information is information that is <i>not</i> “generally available”. Information is generally available if it meets one of the following tests.</p> <p>(a) It consists of readily observable matter.</p> <p><i>This means facts directly observable in the public arena. “Readily” means promptly, quickly or easily.</i></p> <p><i>Examples: A published industry report on banking that is available to the public.</i> <i>A crisis in the banking industry reported in the media.</i></p> <p>(b) Both of the following apply.</p> <p>(i) It has been made known in a manner that would, or would be likely to bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information.</p> <p>(ii) Since it was made known, a reasonable period for it to be disseminated among such persons has elapsed.</p> <p><i>Example: Information in an announcement made by Bendigo and Adelaide Bank to ASX, after a period of time has elapsed from when the announcement was made eg one business day.</i></p> <p>(c) It consists of deductions, conclusions or inferences made or drawn from either of both of the following.</p> <ul style="list-style-type: none"><li>• Readily observable matter.</li><li>• Information which has been made public (under paragraph (b)(i)).</li></ul>
<b>13. What is a security?</b>	<p>When the term “securities” is used in this policy, it means “financial products” under the Corporations Act. This term is broadly defined and includes shares, options to acquire shares, interests in a managed investment scheme, derivatives in relation to shares (eg warrants created by third parties) and hybrid securities (eg preference shares or convertible notes).</p>

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**14. What is meant by “trading”?**

When this policy says that trading is permitted or is not permitted, it covers *all* of the following.

- Applying for, acquiring, or disposing of the securities or entering into an agreement to do so.

*Examples: Buying or selling shares or options over shares in Bendigo and Adelaide Bank, exercising an option to acquire shares. Entering into a dividend reinvestment plan.*

- Procuring someone else to trade in those securities or to enter into an agreement to do so.

*Example of procuring: A person procures someone else to trade if they incite, induce or encourage another person to buy or sell Bendigo and Adelaide Bank securities eg by advising a friend, a family member, a family company or trust to buy or sell the securities.*

- Communicating (directly or indirectly) the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities or to procure someone else to do so.

*Note: In addition, confidentiality obligations are owed to Bendigo and Adelaide Bank by its employees that would prevent the communication of information about Bendigo and Adelaide Bank, its related companies and its customers and information coming to your knowledge in the performance of your duties as an employee of Bendigo and Adelaide Bank.*

*If it is necessary to communicate price sensitive information to a third party for the purposes of Bendigo and Adelaide Bank business (eg to external advisers or another party with whom we are negotiating), it is important to make sure that the third party is bound by confidentiality obligations and is made aware of the price sensitive nature of the information and restrictions on trading. This is important not only in relation to trading, but also to make sure that Bendigo and Adelaide Bank complies with its continuous disclosure obligations. See Bendigo and Adelaide Bank Limited – Continuous Disclosure Policy.*

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**15. Who is covered by the trading restrictions?**

The trading restrictions apply to the following.

Note: The trading restrictions for designated employees are set out in Part A. The trading restrictions for all other employees are set out in Part B.

- \*Your spouse or partner.
- \*Your child under 18 years or a child under 18 years of your spouse or partner.
- \*Trustees of a trust of which you or your family are beneficiaries if you or your family can control the trustee or the disposal or voting of securities held by the trustee.

\*You must make sure that your spouse, partner, children and trustees are informed of this policy and you must take reasonable steps to make sure they comply with it.

It applies to trading by you or any of the above persons.

- On their own behalf.
- As agent for someone else.
- Through intermediaries.

*Examples: Trading through nominees, agents or controlled entities (eg a company controlled by you or your family).*

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## Part D – Other dealing

### Dealing in securities of other companies

#### 16. What are the restrictions?

The legal prohibitions on trading apply if you have price-sensitive information about other companies, even though you do not work for them. In working for Bendigo and Adelaide Bank you may come across price-sensitive information relating to other companies.

*Examples: Bendigo and Adelaide Bank may be proposing to enter into an alliance with another company – the information about the proposed alliance may be price sensitive information for the other company as well as for Bendigo and Adelaide Bank.*

*You may come across price-sensitive information (eg forecasts or other financial information) about a corporate client of Bendigo and Adelaide Bank – as well as being confidential information, that information may be “unpublished price-sensitive” information about that client.*

*You may come across price-sensitive information (eg profit information) about a Community Bank® company – as well as being confidential information, that information may be “unpublished price-sensitive” information about that Community Bank® company.*

The Corporations Act prohibits you from trading in those securities.

*Note: If the company is not listed, the prohibition in the third dot set out above under “14. What is meant by “trading”?”, being communicating the information to another person if you know or ought reasonably know that the other person would or would be likely to trade the securities, does not apply. However, confidentiality obligations owed to Bendigo and Adelaide Bank (and confidentiality obligations owed by Bendigo and Adelaide Bank to the other company) mean that nonetheless you must not communicate information you receive during the course of your employment outside the Bank.*

### Dealing in other products

#### 17. What are the restrictions?

The prohibition also applies to dealing in other investment products. If you have unpublished price sensitive information that is relevant to other investment products it is recommended that you seek your own legal advice.

*Example: You have an interest in a managed fund and you are aware of unpublished information about fund performance. Examples include managed funds for which Sandhurst Trustees or Adelaide Managed Funds is the responsible entity. Changing your investment may breach the law and it is recommended that you seek legal advice.*

### Purchasing Community Bank® company shares

#### 18. What are the restrictions?

Before purchasing shares in a Community Bank® company, you must obtain written approval from Bendigo and Adelaide Bank. If you work in the branch network, the approval must be obtained from your State Manager. In other cases, the approval must be obtained from the Corporate Secretariat.

The following conditions apply:

- A limit of 5,000 shares applies to your holdings in any one Community Bank® company. For this purpose, the holdings of your spouse and children are aggregated with your holdings.
- You must have a connection to the community in which the Community Bank® company operates.

*Example: You live or work in the community.*