

Prospectus for Bendigo and Adelaide Bank Capital Notes 2

26 February 2024

Bendigo and Adelaide Bank Limited (ASX:BEN)

Bendigo and Adelaide Bank Limited (**ASX: BEN**) today lodged with the Australian Securities and Investments Commission and the ASX a prospectus for Bendigo and Adelaide Bank Capital Notes 2, including information on a Reinvestment Offer for eligible holders of Converting Preference Shares 4 (**ASX: BENPG**).

A copy of the prospectus is attached.

Capitalised terms in this announcement have the meaning given to them in the Prospectus.

Approved for release by:

Marnie Baker, Chief Executive Officer and Managing Director

Bendigo & Adelaide Bank Limited

Media enquiries

James Frost

Head of Public Relations

0419 867 219

james.frost@bendigoadelaide.com.au

Investor enquiries

Sam Miller

Head of Investor Relations and ESG

0402 426 767

sam.miller@bendigoadelaide.com.au

About Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank is Australia's better big bank, with more than 7,000 staff helping our over 2 million customers to achieve their financial goals. Bendigo and Adelaide Bank's vision is to be Australia's bank of choice, by feeding into the prosperity of customers and their communities.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879. (1615280-161579) (05/21)

Capital Notes 2 Prospectus and CPS4 Reinvestment Offer Information

26 February 2024

Prospectus for the issue of Capital Notes 2 to raise
\$250 million with the ability to raise more or less

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

Arranger: Westpac Institutional Bank
(a division of Westpac Banking Corporation)

Joint Lead Managers: ANZ Securities Limited,
Commonwealth Bank of Australia, National Australia
Bank Limited, Ord Minnett Limited, UBS AG,
Australia Branch and Westpac Institutional Bank
(a division of Westpac Banking Corporation)

Co-Managers: JBWere Ltd, LGT Crestone Wealth
Management Limited and Wilsons Advisory
and Stockbroking Limited

Caution: Capital Notes 2 are not deposit liabilities of Bendigo and Adelaide Bank Limited, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with Capital Notes 2 could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should not invest in them.



**Bendigo and
Adelaide Bank**

Important notices

About this Prospectus

This Prospectus relates to the Offer by Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) ("**BEN**" or the "**Bank**") of Capital Notes 2 ("**Capital Notes 2**" or "**CN2**") at an Issue Price of \$100 each to raise \$250 million, with the ability to raise more or less.

This Prospectus is dated 26 February 2024 and was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. ASIC and ASX Limited ("**ASX**") take no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates. This Prospectus expires on the date which is 13 months after the date of this Prospectus ("**Expiry Date**") and no CN2 will be issued on the basis of this Prospectus after the Expiry Date.

Status of Capital Notes 2

Capital Notes 2 are fully paid, non-cumulative, convertible, transferrable, redeemable, subordinated, perpetual, unsecured notes issued by BEN.

CN2 are not deposit liabilities of BEN or protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the *Banking Act 1959* (Cth) ("**Banking Act**") or the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act. CN2 are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person.

Investment-type products are subject to investment risk, including possible delays in payment and loss of income and principal invested. Except as required by law, and only to the extent so required, neither BEN nor any other person in any way warrants or guarantees the capital value or performance of CN2, the performance of BEN or any particular rate of return on any investment made under this Prospectus. If a Capital Trigger Event or Non-Viability Trigger Event occurs, BEN will be required to Exchange some or all of CN2 (or, where Exchange of CN2 has not been effected within five Business Days after the Capital Trigger Event or Non-Viability Trigger Event for any reason, then: (i) those CN2 will not be Exchanged in respect of such Capital Trigger Event or Non-Viability Trigger Event and will not be Exchanged, Redeemed or Resold on any subsequent date; (ii) all rights in relation to those CN2 will be terminated immediately (written-off) with effect on and from the Capital Trigger Event or Non-Viability Trigger Event; and (iii) Holders will suffer loss as a consequence).

If Exchange occurs in these circumstances, Holders may receive less, or significantly less, than \$101.01 worth of Ordinary Shares per CN2 and a Holder may suffer loss as a consequence. If Holders receive Ordinary Shares worth less than the Face Value of CN2, they will suffer loss as a consequence.

CN2 are issued by BEN under the Capital Notes 2 Terms and Holders have no claim on BEN except as provided in the Capital Notes 2 Terms. CN2 are complex and may not be suitable for all investors.

Defined words and expressions

Some capitalised words and expressions used in this Prospectus have defined meanings. The Glossary in Appendix B defines these words and expressions.

Definitions specific to CN2 are in clause 15 of the Capital Notes 2 Terms in Appendix A. If there is any inconsistency in definitions

between this Prospectus and the Capital Notes 2 Terms, the definitions in clause 15 of the Capital Notes 2 Terms prevail. In this Prospectus, the singular includes the plural and vice versa.

References to times in this Prospectus are to the time in Melbourne, Victoria, Australia unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency unless otherwise stated. Unless otherwise stated, all figures have been rounded to two decimal places (other than figures in Section 5, which have been rounded to one decimal place).

Design and distribution obligations (DDO Laws)

From October 2021, new Corporations Act provisions which were introduced by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* (Cth) ("**DDO Laws**") require issuers to ensure investors are at the centre of their approach when designing and distributing financial products. Under the DDO Laws, BEN is required to make a Target Market Determination ("**TMD**") to describe the class of retail investors to whom CN2 are targeted (the "**Target Market**"), and the conditions around how CN2 are distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market. BEN has created a TMD, a copy of which is available at www.CN2offer.bendigoadelaide.com.au. The Target Market is described in the "Design and distribution obligations" section on page 4 of this Prospectus and in Section 4.2.

Governing law

This Prospectus and the contracts which arise on acceptance of Applications for CN2 are governed by the law applicable in Victoria, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

Exposure Period

Under the Corporations Act, BEN is prohibited from processing Applications in the seven day period after the date on which this Prospectus is lodged with ASIC. This period is referred to as the Exposure Period and ASIC may extend this period by up to a further seven days (that is, up to a total of 14 days). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

This Prospectus does not provide financial product or investment advice – you should seek your own professional investment advice.

The Offer, and the information in this Prospectus, does not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor. You should consider the appropriateness of CN2 having regard to these factors before deciding to apply for any Notes. If you are a retail investor and wish to apply for CN2, you must:

- speak to your Syndicate Broker (all Applications must be submitted through a Syndicate Broker and no Applications can be made directly to BEN). A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus; and
- obtain personal financial product advice from a financial adviser on whether to acquire CN2 and to ensure your objectives, financial situation and needs have been considered in making your investment decision.

Important notices

None of the Joint Lead Managers or their respective directors, officers, employees or advisers have caused the issue or lodgement of this Prospectus, nor the issue of any CN2 pursuant to it, nor have they made any statements in this Prospectus, other than references to their names, and do not accept responsibility for any statements in this Prospectus other than references to their names nor omissions from this Prospectus.

This Prospectus also contains information in relation to (amongst other things) the Reinvestment Offer. Neither BEN nor any other person is providing any investment advice or making any recommendation to Eligible CPS4 Holders in respect of the Reinvestment Offer.

It is important that you read the entire Prospectus before deciding whether to apply for Notes.

How to obtain a Prospectus

This Prospectus can be obtained electronically from the Offer website at www.CN2offer.bendigoadelaide.com.au. This Prospectus is only available electronically to persons accessing and downloading it in Australia. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

Applications for Capital Notes 2

Applications can only be made by retail investors who are within the Target Market and have received personal financial product advice from a financial adviser to acquire CN2 or by investors who are Wholesale Clients.

All Applications (both for the Reinvestment Offer and the New Money Offer) must be submitted through a Syndicate Broker and investors must receive an Allocation from a Syndicate Broker under the Bookbuild to apply. You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether you satisfy the eligibility requirements. Your Syndicate Broker can also assist you with how to apply once the Offer opens.

Unlike the previous Capital Notes offer, there is no specific offer for BEN securityholders and no Applications (including from Eligible CPS4 Holders) can be made directly to BEN.

For information on who is eligible to apply for CN2 under the Offer and how to make an Application see Section 4.

ASX quotation

BEN will apply for CN2 to be quoted on ASX. CN2 are expected to trade under ASX code "BENPI".

Providing personal information

You will be asked to provide personal information to BEN (directly or via its agents, including the Registry) if you apply for CN2. See Section 4.4 and Section 8.11 for information on how BEN (and its agents, including the Registry on its behalf) collects, holds and uses this personal information.

Restrictions on distribution

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. As at the date of this Prospectus, no action has been taken to register or qualify CN2 or the Offer or to otherwise permit a public offering of CN2 outside Australia.

The distribution of this Prospectus and the Offer or sale of CN2 may be restricted by law in certain jurisdictions. Persons who receive this Prospectus outside Australia must inform themselves about and observe all such restrictions. Failure to comply with these restrictions may violate securities laws.

Neither this Prospectus nor any Application Form may be distributed or released, in whole or in part, in the United States. Neither CN2 nor the Ordinary Shares have been or will be registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or the securities laws of any state of the United States, and they may not be offered or sold in the United States. CN2 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.

See Section 8.9 for further information.

No representations other than in this Prospectus

You should rely only on information in this Prospectus. No person is authorised to provide any information or to make any representation in connection with the Offer that is not contained in this Prospectus.

Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by BEN in connection with the Offer.

Financial information and forward-looking statements

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 5.

All financial amounts contained in this Prospectus are expressed in Australian dollars.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

Any forward-looking statements are subject to various risk factors that could cause actual circumstances or outcomes to differ materially from the circumstances or outcomes expressed, implied or anticipated in these statements. Forward-looking statements should be read in conjunction with the risk factors as set out in Section 6 and other information in this Prospectus.

The financial information provided in this Prospectus is for information purposes only and is not a forecast of performance to be expected in future periods. Past performance and trends should not be relied upon as being indicative of future performance and trends.

Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale. The diagrams are based on information which is current as at the date of this Prospectus.

No cooling-off rights

Investors should note that no cooling-off rights (whether by law or otherwise) apply to an Application for CN2. This means that, in most circumstances, you cannot withdraw your Application once it has been lodged, except as permitted under the Corporations Act.

Enquiries

If you are considering applying for CN2 under the Offer, this document is important and should be read in its entirety.

If you have any questions about the Offer or Capital Notes 2, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) (Monday to Friday – 8:30am to 7:30pm Melbourne time).

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Guidance for retail investors

Important Note – The Capital Notes 2 Offer will be made in a different manner to the previous Capital Notes offer, particularly with respect to eligibility and how to apply for Capital Notes 2 (see Section 4 for further details).

- 1**
Read this Prospectus in full

It is important that you read and consider this Prospectus in full before making an Application. You should have particular regard to the:

 - “Design and distribution obligations” on the next page and whether you are within the Target Market referred to in the Target Market Determination;
 - “Investment Overview” in Section 1 and “About Capital Notes 2” in Section 2;
 - “Investment Risks” in Section 6; and
 - “Capital Notes 2 Terms” in Appendix A.

You should carefully consider the risks and other information in the Prospectus in light of your investment objectives, financial situation and particular needs (including financial and taxation issues).

CN2 are not deposit liabilities of BEN or protected accounts for the purposes of the Banking Act or the Financial Claims Scheme. CN2 are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person. An investment in CN2 is riskier than a bank deposit and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with CN2 could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should not invest in them.

- 2**
Speak to your Syndicate Broker or professional adviser

If you are a retail investor and wish to apply for CN2, you must speak to your Syndicate Broker and also obtain personal financial product advice from a financial adviser on whether to acquire CN2 and to ensure your objectives, financial situation and needs have been considered in making your investment decision. All Applications must be submitted through a Syndicate Broker and no Applications can be made directly to BEN. A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

ASIC has published guidance on how to choose a financial adviser on its MoneySmart website at www.moneysmart.gov.au/financial-advice/choosing-a-financial-adviser.

- 3**
Consider ASIC guidance for retail investors

ASIC has warned investors to be cautious in relation to investments in hybrid securities (such as CN2). ASIC has also published guidance on its MoneySmart website which may be relevant to your consideration of CN2. You can find this guidance by searching “hybrid securities and notes” at www.moneysmart.gov.au.

The guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short course to better understand how hybrids work, their features and risks.

- 4**
Obtain further information about BEN and Capital Notes 2

BEN is a disclosing entity for the purposes of the Corporations Act, and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. BEN must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about BEN that a reasonable person would expect to have a material effect on the price or value of its securities (including CN2). Copies of documents lodged with ASIC can be obtained from ASIC’s website and BEN’s ASX announcements may be viewed on www.asx.com.au (ASX code ‘BEN’). Further information about BEN, including BEN’s half-yearly and annual financial reports, presentations and other investor information, can be obtained from www.bendigoadelaide.com.au/investor-centre/.

- 5**
Use of franking credits

The value and availability of franking credits to you will depend on your particular circumstances and the tax rules that apply at the time of each Distribution. See Section 7 for further information regarding the expected tax treatment of CN2 (including the availability of franking credits in connection with Distributions).

- 6**
Enquiries

If you have any questions about the Offer or Capital Notes 2, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) (Monday to Friday – 8:30am to 7:30pm Melbourne time).

Design and distribution obligations

Capital Notes 2 will be the first issuance of a BEN capital note security subject to the DDO Laws. Under the DDO Laws, BEN is required to make a Target Market Determination (“**TMD**”) to describe the class of retail investors to whom Capital Notes 2 are targeted (described as the Target Market), and conditions around how CN2 are distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market.

A summary of key elements of the DDO Laws and eligibility requirements to apply under the Offer is set out below.

Legal requirement

The DDO Laws require issuers of certain financial products to make a TMD and set certain conditions under which those products can be distributed to retail investors.

Target Market Determination

The TMD describes the class of retail investors for whom an investment in CN2 is likely to be consistent with their likely objectives, financial situation and needs, which is referred to as the Target Market.

The Target Market is described in Sections 1.5 and 4.2 and a copy of the TMD is available from www.CN2offer.bendigoadelaide.com.au.

Distribution conditions

The TMD also sets out conditions under which CN2 can be distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market.

What does this mean for Capital Notes 2?

Compared to the previous Capital Notes offer, a number of changes have been made in the manner in which the Offer is conducted. In particular, the eligibility requirements to participate in both the Reinvestment Offer and the New Money Offer, and the Application process, are different to those for the previous Capital Notes offer, as described below and in more detail in Section 4.

Applications can only be made through a Syndicate Broker. No Applications can be made directly to BEN

In order to ensure CN2 are distributed in accordance with the TMD, BEN has determined that Applications under both the Reinvestment Offer and the New Money Offer can only be made through a Syndicate Broker (and not to BEN directly), and that CN2 are only available to investors who satisfy certain eligibility requirements outlined below.

Eligible

You are a company or an individual aged 18 years or older with a registered address in Australia, and either:

- you are within the Target Market and you have received personal financial product advice from a financial adviser to acquire CN2;
- OR
- you are classified as a Wholesale Client.

You will need to provide evidence to your Syndicate Broker that you satisfy one of these eligibility requirements. Please see Section 4.3 for details on how to apply.

Ineligible

Any other investor, including a CPS4 Holder and any other BEN securityholder, who does not satisfy the eligibility requirements (for example, a retail investor who is outside the Target Market). There is no specific offer to BEN securityholders and no general public offer.

If you have any questions about the Offer or Capital Notes 2, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) (Monday to Friday – 8:30am to 7:30pm Melbourne time).

A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

ASIC has published guidance on how to choose a financial adviser on its MoneySmart website at www.moneysmart.gov.au/financial-advice/choosing-a-financial-adviser.

Summary of key dates

Key dates for the Offer

	Date
Lodgement of Prospectus with ASIC and ASX	Monday, 26 February 2024
Bookbuild period commences for Syndicate Brokers to determine the Margin	Monday, 26 February 2024
Announcement of the Margin and confirmation of Bookbuild Allocations to the Syndicate Brokers	Friday, 1 March 2024
Lodgement of replacement Prospectus with ASIC and ASX (with final Margin)	Tuesday, 5 March 2024
Opening Date for investors to apply for Capital Notes 2 Allocated by the Syndicate Brokers under the Bookbuild	Tuesday, 5 March 2024
Closing Date for investors to apply for Capital Notes 2 Allocated by the Syndicate Brokers under the Bookbuild (including the Reinvestment Offer)	5:00pm, Tuesday, 19 March 2024
Settlement Date	Friday, 22 March 2024
Issue Date	Monday, 25 March 2024
Capital Notes 2 commence trading on ASX (normal settlement basis)	Tuesday, 26 March 2024
Holding Statements for Capital Notes 2 despatched	Wednesday, 27 March 2024

Key dates for Capital Notes 2

First Distribution Payment Date ¹	13 June 2024
Call Dates	13 December 2030 • 13 March 2031 • 13 June 2031 • 13 September 2031
Mandatory Exchange Date ²	13 September 2033

Key dates for CPS4 Holders

Reinvestment Offer Record Date (record date for determining Eligible CPS4 Holders for the Reinvestment Offer)	7:00pm, Thursday, 22 February 2024
Opening Date for investors to apply for Capital Notes 2 Allocated by the Syndicate Brokers for the Reinvestment Offer	Tuesday, 5 March 2024
Scheduled CPS4 Dividend payment date	Wednesday, 13 March 2024
Record date for the First Pro Rata Dividend on all CPS4	7:00pm, Wednesday, 13 March 2024
Closing Date for investors to apply for Capital Notes 2 Allocated by the Syndicate Brokers for the Reinvestment Offer	5:00pm, Tuesday, 19 March 2024
Payment date for the First Pro Rata Dividend on all CPS4	Monday, 25 March 2024
Expected date for the resale of the Participating CPS4 to the CPS4 Nominated Purchaser	Monday, 25 March 2024
Reinvested CPS4 Reinvestment Date	Monday, 25 March 2024
Issue Date for Capital Notes 2	Monday, 25 March 2024
Record date for the Second Pro Rata Dividend on remaining CPS4	7:00pm, Friday, 31 May 2024
Payment date for the Second Pro Rata Dividend on remaining CPS4	Thursday, 13 June 2024
Optional exchange date for remaining CPS4	Thursday, 13 June 2024

References to times in this Prospectus are to the time in Melbourne, Victoria, Australia, unless otherwise stated.

Dates may change

The key dates above are indicative only and may change. BEN and the Joint Lead Managers may, in their discretion, close the Offer early. BEN may also withdraw the Offer at any time before CN2 are issued. Additionally, BEN and the Syndicate Brokers may, in their discretion, accept Applications for additional CN2 under the Reinvestment Offer from Eligible CPS4 Holders not Allocated CN2 under the Bookbuild.

BEN and the Joint Lead Managers may also exercise discretion, where reasonable, to extend the Offer Period having regard to market conditions, the circumstances of the Offer, and BEN's business needs. Material changes to the timetable for the Offer will be disclosed on ASX as soon as practicable.

Except as otherwise specified in the Capital Notes 2 Terms, if any of these dates are not Business Days and an event under the Capital Notes 2 Terms is stipulated to occur on that day, then the event will occur on the next Business Day.

If you wish to apply for CN2, you are encouraged to do so as soon as possible after the Opening Date.

1. Distributions are scheduled to be paid at the end of each quarterly Distribution Period (on 13 March, 13 June, 13 September and 13 December). If any of these scheduled dates are not Business Days, then the Distribution Payment Date will occur on the next Business Day. You should note that the first Distribution Period is a shorter period of 80 days and other Distribution Periods will otherwise generally be 90 to 92 days.
2. The Mandatory Exchange Date may be later than 13 September 2033, or may not occur at all, if the Mandatory Exchange Conditions are not satisfied – see Section 2.5.

1 Investment overview

This Section provides a summary of information that is key to a decision of whether to invest in Capital Notes 2.

Topic	Summary	Further information
1.1 Key features of the Offer		
Who is the issuer?	<ul style="list-style-type: none"> The issuer is Bendigo and Adelaide Bank Limited (“BEN”) (ABN 11 068 049 178). BEN is a leading Australian bank and is an ASX top 200 company by market capitalisation. 	Section 5
What are the key Offer details?	<ul style="list-style-type: none"> The Offer size is \$250 million (including the Reinvestment Offer) with the ability to raise more or less. The Offer includes the Reinvestment Offer to Eligible CPS4 Holders to reinvest all or some of their CPS4 in CN2. Applications can only be made to Syndicate Brokers (not to BEN directly) and CN2 are only being offered to investors who satisfy certain eligibility requirements. BEN will endeavour to give priority to Applications received under the Reinvestment Offer. The Issue Price is \$100 per CN2. 	Section 2.1
What are Capital Notes 2?	<ul style="list-style-type: none"> CN2 are fully paid, non-cumulative, convertible, perpetual, subordinated, unsecured notes to be issued by BEN. CN2 will be eligible Additional Tier 1 Capital for BEN. 	Section 2
Quotation	<ul style="list-style-type: none"> BEN will apply for CN2 to be quoted on ASX. CN2 are expected to trade under ASX code “BENPI”. 	Section 4.6.1

1.2 Key Capital Notes 2 Terms

What Distributions are payable?	<ul style="list-style-type: none"> CN2 are scheduled to pay quarterly floating rate cash Distributions in arrears until all CN2 are Exchanged, Redeemed or Written Off. Distributions on CN2 are discretionary, non-cumulative floating rate payments and are subject to the Distribution Payment Conditions. A Distribution is only payable if the Directors resolve to pay it and the other conditions to payment are met. These include that: <ul style="list-style-type: none"> payment of the Distribution will not result in BEN or the BEN Group not complying with APRA’s then current Prudential Standards, including its capital adequacy requirements, as they apply to BEN and/or the BEN Group at the time of the payment, or with the Corporations Act; paying the Distribution will not result in BEN becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and APRA not otherwise objecting to the Distribution being paid. The Distribution Rate (expressed as a percentage per annum) for each Distribution Period is the rate calculated using the following formula: 	Section 2.3
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$$\text{Distribution Rate} = (\text{Market Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

where:

- the **Market Rate** is, broadly, the 3-month “Bank Bill Swap Reference Rate” (described in Section 2.3.3) on the first Business Day of the relevant Distribution Period;
- the **Margin** is expected to be between 3.20% to 3.40% and will be determined under the Bookbuild and announced to the market on or around 1 March 2024; and
- the **Tax Rate** means the Australian corporate tax rate applicable to the franking account of BEN on the relevant Distribution Payment Date (expressed as a decimal).

(For further information regarding the Market Rate see Section 2.3.3. For examples of the calculation of the Distribution Rate and the calculation of Distributions see Sections 2.3.2 and 2.3.4.)

- Distributions are expected to be fully franked. However, Holders should be aware that franking is not guaranteed and a Holder’s ability to use franking credits depends on their individual circumstances.

1 Investment overview

Topic	Summary	Further information
<h2>1.2 Key Capital Notes 2 Terms <i>continued</i></h2>		
<p>What Distributions are payable? <i>continued</i></p>	<ul style="list-style-type: none"> • Distributions are non-cumulative, which means that unpaid Distributions do not accumulate. Holders will not have any right to compensation if BEN does not pay a scheduled Distribution and failure by BEN to pay a Distribution when scheduled will not constitute an event of default. • If a Distribution is not paid in full on a Distribution Payment Date, subject to certain exceptions, BEN is unable (without the approval of a Special Resolution) to undertake Restricted Actions (being actions to declare, determine to pay or pay a dividend on Ordinary Shares, or return any capital or undertake any buy-backs or repurchases in relation to Ordinary Shares), until and including the next Distribution Payment Date (unless the Distribution is paid in full within five Business Days of the Relevant Distribution Payment Date). 	Section 2.3
<p>Will I get my capital back?</p>	<ul style="list-style-type: none"> • CN2 do not have any fixed maturity date and could remain on issue indefinitely. • What will happen to CN2 is uncertain and depends on a number of factors including whether Mandatory Exchange occurs, whether a Capital Trigger Event, Non-Viability Trigger Event, Change of Control Event, Franking Event, Regulatory Event or Tax Event occurs, whether BEN elects to Exchange, Resell or Redeem CN2 on the grounds set out in the Capital Notes 2 Terms, and whether APRA's approval is given when required under the Capital Notes 2 Terms. Holders should not expect that APRA will give its approval for any Exchange, Redemption or Resale. • Holders do not have a right to request BEN to Exchange CN2 into Ordinary Shares or Redeem or Resell CN2. • If a Capital Trigger Event or a Non-Viability Trigger Event occurs, CN2 must be Exchanged into Ordinary Shares. If Exchange is not effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event for any reason, those CN2 which would have otherwise been Exchanged will be Written Off with effect on and from the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event. • If Exchange or Write-Off occurs on account of a Capital Trigger Event or a Non-Viability Trigger Event, Holders may receive significantly less value than \$101.01 (which in some cases might be \$0) for each CN2 that they hold. • CN2 are expected to be quoted on ASX so that they can be bought and sold on ASX. There may or may not be a liquid market for CN2, which in turn may affect the market price of CN2, and whether you will get your capital back. • If ASX does not grant permission for CN2 to be quoted, CN2 will not be issued and all Application Payments will be refunded (without interest) as soon as practicable. 	Sections 2.4, 2.5 and 4.6.1
<p>Will Capital Notes 2 be Redeemed or Resold?</p>	<ul style="list-style-type: none"> • If certain conditions are met, BEN will have a right, but not an obligation, to Redeem or Resell CN2: <ul style="list-style-type: none"> • on each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031; • following the occurrence of a Franking Event (for example, this may include where an unanticipated change in Australian law after the Issue Date results in Distributions not being frankable); • following the occurrence of a Tax Event (for example, this may include where an unanticipated change in Australian tax law after the Issue Date results in an increase in the costs to BEN of CN2 being on issue); or • following the occurrence of a Regulatory Event (for example, this may include where an unanticipated change in Australian law or regulation after the Issue Date would impose more than de minimis additional requirements on BEN in relation to or in connection with CN2 (which were not expected by BEN on the Issue Date) which BEN determines, in its absolute discretion, to be unacceptable, or if CN2 is not or will not be entitled to be treated as Additional Tier 1 Capital). • Most importantly, BEN can only Redeem CN2 if APRA is satisfied that either CN2 have been replaced with regulatory capital of the same or better quality under conditions that are sustainable for the Bank's income capacity or CN2 need not be replaced having regard to BEN and the BEN Group's projected capital position. This is intended to protect BEN's creditors. • Holders should not expect that APRA will give its approval for any Resale or Redemption. 	Section 2.4

1 Investment overview

Topic	Summary	Further information
1.2 Key Capital Notes 2 Terms <i>continued</i> Will Capital Notes 2 be Exchanged for Ordinary Shares?	<ul style="list-style-type: none"> • CN2 must be Exchanged for Ordinary Shares on a Mandatory Exchange Date (if certain conditions are satisfied) or following a Capital Trigger Event, a Non-Viability Trigger Event or a Change of Control Event. This may or may not be advantageous for Holders. • CN2 may be Exchanged for Ordinary Shares on a Call Date, being each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031, or on an Optional Exchange Date following a Franking Event, a Tax Event or a Regulatory Event (with APRA's written approval). • Mandatory Exchange: Unless Exchanged earlier, CN2 must be Exchanged for Ordinary Shares on the Scheduled Mandatory Exchange Date, being 13 September 2033, subject to the Mandatory Exchange Conditions being satisfied. These conditions are intended to protect Holders against receiving Ordinary Shares worth less than approximately \$101.01 per CN2 and ensure that the Ordinary Shares are capable of being sold on ASX. <p>If any of the Mandatory Exchange Conditions are not satisfied on the Scheduled Mandatory Exchange Date, the Mandatory Exchange Date will be deferred until the next Distribution Payment Date in respect of which all of the Mandatory Exchange Conditions are satisfied.</p> <p>The Capital Notes 2 Terms include a restriction on the number of Ordinary Shares that may be issued upon Exchange (the "Maximum Exchange Number"). Generally, this restriction means that the maximum number of Ordinary Shares issued on Exchange cannot exceed the number that would be issued if CN2 were Exchanged at a conversion price equal to:</p> <ul style="list-style-type: none"> • 50% of the Issue Date VWAP if Exchange is occurring on a Mandatory Exchange Date; or • 20% of the Issue Date VWAP in the case of any other Exchange. • Capital Trigger Event: BEN will be required to Exchange CN2 into Ordinary Shares (or, where Exchange of CN2 has not been effected within five Business Days after a Capital Trigger Event, Write-Off CN2 with effect on and from the date of the occurrence of the Capital Trigger Event) if BEN determines, or APRA notifies BEN in writing that it believes, that either or both of the BEN Level 1 Group Common Equity Tier 1 Capital Ratio or the BEN Level 2 Group Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%. • Non-Viability Trigger Event: BEN will be required to Exchange CN2 for Ordinary Shares (or, where Exchange of CN2 has not been effected within five Business Days after a Non-Viability Trigger Event, Write-Off CN2 with effect on and from the Non-Viability Trigger Event) if APRA determines that BEN would be non-viable (including where BEN is unable to meet its obligations to creditors). Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event is not subject to the Mandatory Exchange Conditions being satisfied and the number of Ordinary Shares a Holder will receive will be capped at the Maximum Exchange Number. <p>If Exchange occurs in circumstances where a Capital Trigger Event or a Non-Viability Trigger Event has occurred, Holders are likely to receive Ordinary Shares that are worth significantly less than \$101.01 for each CN2 they hold.</p> • Write-Off: If, following a Capital Trigger Event or a Non-Viability Trigger Event, Exchange of CN2 has not been effected within five Business Days after the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event for any reason, those CN2 will not be Exchanged but instead Written Off with effect on and from the Capital Trigger Event or Non-Viability Trigger Event. This means that CN2 will never be Exchanged and all the relevant Holders' rights (including to payment of Face Value and Distributions and the right to receive Ordinary Shares) will be immediately and irrevocably terminated with effect on and from the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, in which case the Holder's investment will lose all of its value, and the Holder will not have the Face Value repaid, will not receive any compensation and is likely to be worse off than holders of Ordinary Shares. • Change of Control Event: BEN will be required, subject to certain conditions, to Exchange CN2 for Ordinary Shares following the occurrence of a Change of Control Event (for example, an unconditional takeover bid for BEN, acceptance of which is recommended by the Board, or where the voting power of the offeror in BEN is or has become greater than 50%). 	Sections 2.4, 2.5, 2.6 and 2.7

1 Investment overview

Topic	Summary	Further information																					
<h2>1.2 Key Capital Notes 2 Terms <i>continued</i></h2>																							
<p>Will Capital Notes 2 be Exchanged for Ordinary Shares? <i>continued</i></p>	<ul style="list-style-type: none"> • Optional Exchange: BEN may also elect, subject to certain conditions, to Exchange CN2 for Ordinary Shares with APRA's written approval on an Optional Exchange Date following the occurrence of a Franking Event, Tax Event or Regulatory Event. In addition, subject to certain conditions and APRA's written approval, BEN may also Exchange CN2 on a Call Date, being each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031. If BEN chooses to Exchange CN2 in these circumstances, each Holder should receive approximately \$101.01 worth of Ordinary Shares per CN2.¹ • NOHC Event: If a NOHC Event has occurred, Exchange will be for NOHC ordinary shares. 	<p>Sections 2.4, 2.5, 2.6 and 2.7</p>																					
<p>What are the voting rights of Capital Notes 2 Holders?</p>	<ul style="list-style-type: none"> • CN2 do not carry voting rights, except in limited circumstances. 	<p>Section 2.9.3</p>																					
<p>How would Capital Notes 2 rank in a winding-up of BEN?</p>	<ul style="list-style-type: none"> • In a winding-up of BEN, and assuming CN2 have not been Exchanged, Redeemed or Resold and are not required to be Exchanged or Written Off due to a Capital Trigger Event or a Non-Viability Trigger Event, CN2 rank ahead of Ordinary Shares, equally and without preference with other CN2, equally with Equal Ranking Securities, but behind the claims of all creditors of BEN (other than creditors who are expressed to rank equally with CN2 in a winding-up), as shown below. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: center;">Type</th> <th style="text-align: center;">Illustrative examples</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="vertical-align: middle;">↑</td> <td>Senior Ranking Obligations (which rank higher than CN2)</td> <td>Preferred and secured debt</td> <td>Liabilities in Australia in relation to protected accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors</td> </tr> <tr> <td></td> <td>Unsubordinated and unsecured debt</td> <td>Unsubordinated and unsecured bonds and notes, trade and general creditors</td> </tr> <tr> <td></td> <td>Subordinated and unsecured debt (unless expressed to rank equally with preference shares)</td> <td>Subordinated and unsecured debt obligations</td> </tr> <tr> <td></td> <td>Equal ranking obligations</td> <td>Equal Ranking Securities</td> <td>Capital Notes, CPS4 and any other securities expressed to rank equally with Capital Notes 2²</td> </tr> <tr> <td style="vertical-align: middle;">↓</td> <td>Junior ranking obligations (which rank lower than CN2)</td> <td>Junior Ranking Securities, being Ordinary Shares</td> <td>Ordinary Shares</td> </tr> </tbody> </table>		Type	Illustrative examples	↑	Senior Ranking Obligations (which rank higher than CN2)	Preferred and secured debt	Liabilities in Australia in relation to protected accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors		Unsubordinated and unsecured debt	Unsubordinated and unsecured bonds and notes, trade and general creditors		Subordinated and unsecured debt (unless expressed to rank equally with preference shares)	Subordinated and unsecured debt obligations		Equal ranking obligations	Equal Ranking Securities	Capital Notes, CPS4 and any other securities expressed to rank equally with Capital Notes 2 ²	↓	Junior ranking obligations (which rank lower than CN2)	Junior Ranking Securities, being Ordinary Shares	Ordinary Shares	<p>Section 2.9.1 and clause 1.5 of Capital Notes 2 Terms</p>
	Type	Illustrative examples																					
↑	Senior Ranking Obligations (which rank higher than CN2)	Preferred and secured debt	Liabilities in Australia in relation to protected accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors																				
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	Equal ranking obligations	Equal Ranking Securities	Capital Notes, CPS4 and any other securities expressed to rank equally with Capital Notes 2 ²																				
↓	Junior ranking obligations (which rank lower than CN2)	Junior Ranking Securities, being Ordinary Shares	Ordinary Shares																				
	<ul style="list-style-type: none"> • Any return in a winding-up may be adversely affected if a Capital Trigger Event or a Non-Viability Trigger Event has occurred. A CN2 required to be Exchanged on account of a Capital Trigger Event or a Non-Viability Trigger Event will be Exchanged and rank as an Ordinary Share, or if Exchange has not been effected within five Business Days after the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, Written Off with effect on and from the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, in which case either (a) the Holder's claim ranks in substance with the claims of Ordinary Shares, or (b) will be terminated and the Holder will have no rights against BEN in respect of CN2, in which case they are likely to be worse off than holders of Ordinary Shares. 																						

1. By the time of Exchange the value of Ordinary Shares received may be worth more or less than \$101.01 – see Section 6.1.10 for further information.

2. This is the ranking of Capital Notes 2 or similar ranking securities prior to any Exchange or Write-Off.

1 Investment overview

Topic Summary

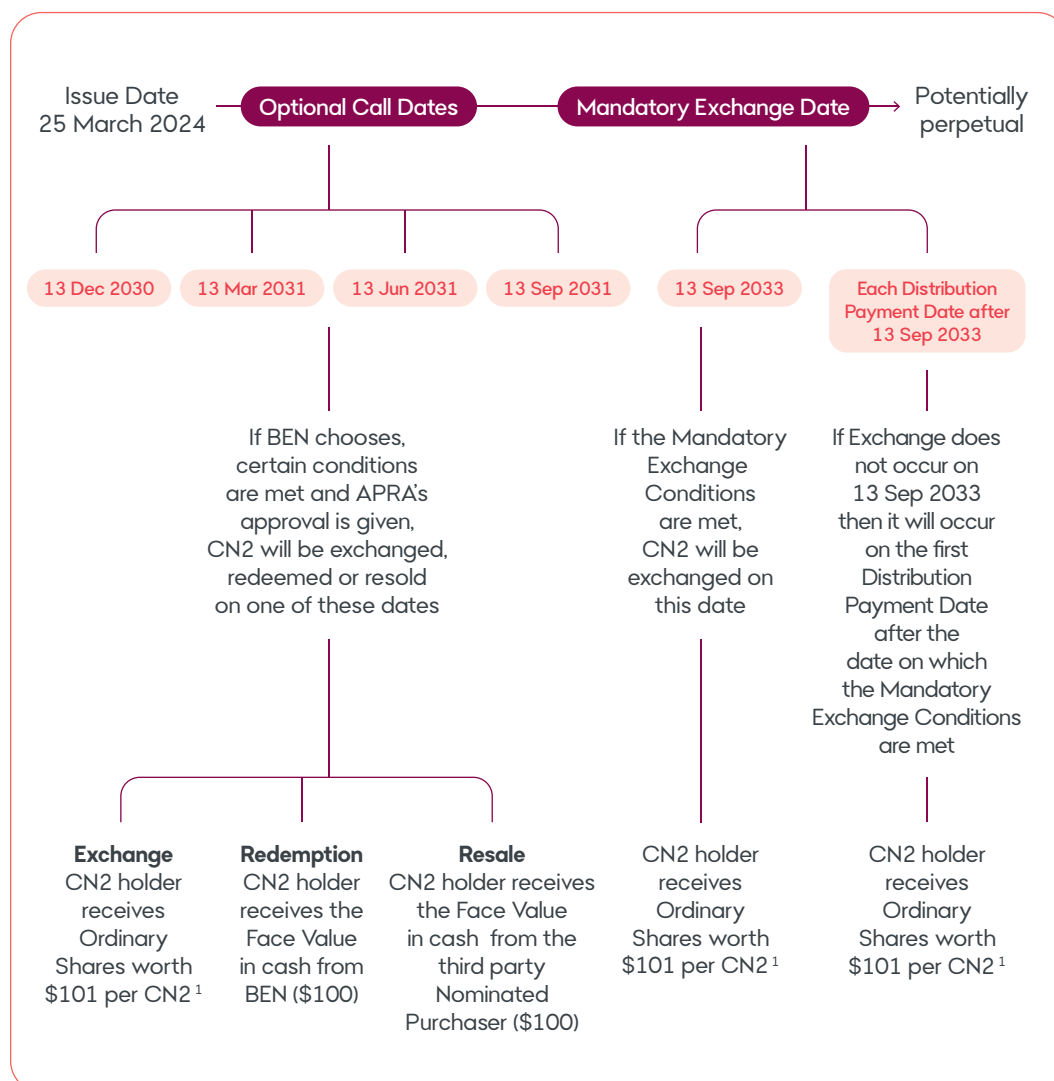
Further information

1.2 Key Capital Notes 2 Terms *continued*

Summary of certain events that may affect what Holders receive and when they receive it

- The diagram below summarises certain events that may occur while CN2 are on issue and what CN2 Holders may receive if those events occur. If none of these events occur, CN2 could remain on issue indefinitely and the Issue Price will not be repaid.

Sections 2.4 to 2.7



1. The value stated is the value a Holder will receive on Exchange based on the share prices during a specified period prior to Exchange (not on the share price on Exchange itself) and since the Exchange Number may not exceed the Maximum Exchange Number the value received may be less than \$101.01 and, in the case of Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event, substantially less than \$101.01.

1 Investment overview

Topic	Summary	Further information
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1.2 Key Capital Notes 2 Terms *continued*

Summary of certain events that may affect what Holders receive and when they receive it *continued*

- The table below summarises certain events that may affect what Holders are likely to receive on CN2. The events are subject to contingencies such as the solvency and/or non-viability of BEN and in some cases election by BEN. Accordingly, they may not occur.

Sections 2.4 to 2.7

Event	When?	Is APRA approval required?	Do conditions apply?	What value will a Holder receive? ¹	In what form will that value be provided to Holders?	Where to find further information?
Optional Redemption or Resale	On 13 December 2030, 13 March 2031, 13 June 2031 or 13 September 2031, or following a Franking Event, Tax Event or Regulatory Event	Yes	Yes	\$100	Payment in Australian dollars	Section 2.4
Optional Exchange	On 13 December 2030, 13 March 2031, 13 June 2031 or 13 September 2031, or following a Franking Event, Tax Event or Regulatory Event	Yes	Yes	Approximately \$101.01	Variable number of Ordinary Shares	Section 2.4
Mandatory Exchange on a Mandatory Exchange Date	On 13 September 2033 or the first Distribution Payment Date after that date on which the Mandatory Exchange Conditions are satisfied	No	Yes	Approximately \$101.01	Variable number of Ordinary Shares	Section 2.5
Early Exchange upon a Change of Control Event	On the Change of Control Exchange Date	No	Yes	Approximately \$101.01	Variable number of Ordinary Shares	Section 2.7
Early Exchange or Write-Off upon a Capital Trigger Event or Non-Viability Trigger Event	Immediately on the date of the occurrence of a Capital Trigger Event or Non-Viability Trigger Event	No	No	Between \$101.01 (and possibly significantly less) and \$0	Variable number of Ordinary Shares or, if Exchange is not effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event, CN2 will be Written Off with effect on and from the date of the Capital Trigger Event or Non-Viability Trigger Event	Section 2.6

1. The value stated is the value a Holder will receive on Exchange based on the share prices during a specified period prior to Exchange (not on the share price on Exchange itself) and since the Exchange Number may not exceed the Maximum Exchange Number the value received may be less than \$101.01 and, in the case of Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event, substantially less than \$101.01.

1 Investment overview

Topic	Summary	Further information
<h2>1.3 Overview of Bendigo and Adelaide Bank</h2>		
Bendigo and Adelaide Bank	<ul style="list-style-type: none"> BEN's current business was formed through the merger of Bendigo Bank and Adelaide Bank in November 2007. The holding company is Bendigo and Adelaide Bank Limited (ABN 11 068 049 178). BEN's activities are structured and managed under the two customer-facing divisions of Consumer and Business and Agribusiness, supported in service delivery by the Customer Enablement division. The Consumer division incorporates areas engaging with and servicing its consumer customers. This includes its Bendigo Bank branch network (including Community Bank), mobile relationship managers, third party banking channels, wealth services and contact centres, as well as consumer support functions, including its processing centres. The Business and Agribusiness division incorporates Business Banking (commercial finance and business solutions), Portfolio Funding (wholesale funding solutions for the finance sector), Private Banking Services (one-to-one banking for personal and business products) and Rural Bank (BEN's specialist agribusiness brand). The division provides financial products and services to corporates, businesses, primary producers and agribusiness participants through a national network of specialists, business and agribusiness bankers and distribution partners based across Australia. BEN had: <ul style="list-style-type: none"> statutory earnings of \$282.3 million and cash earnings of \$268.2 million for the half year ended 31 December 2023; net assets (including intangibles) of \$7.0 billion and total assets (including intangibles) of \$99.5 billion at 31 December 2023; and a Common Equity Tier 1 Capital Ratio of 11.23% and a Tier 1 Capital Ratio of 13.38% at 31 December 2023. 	Sections 5.1, 5.3 and 5.4
<h2>1.4 Key benefits and risks of Capital Notes 2</h2>		
<p>Before applying for any CN2, you should have regard to the Target Market Determination (see the "Design and distribution obligations" section at the front of this Prospectus) and, if you are a retail investor, obtain personal financial product advice from a financial adviser on whether to acquire CN2 and to ensure your objectives, financial situation and needs have been considered in making your investment decision.</p> <p>There are risks associated with an investment in CN2 and in BEN, many of which are outside the control of BEN and its directors. Some key risks include those in this Section 1.4. These and other risks are addressed in more detail in Section 6 and elsewhere in this Prospectus.</p>		
<h3>1.4.1 Key benefits associated with an investment in Capital Notes 2</h3>		
Key benefits of Capital Notes 2	<ul style="list-style-type: none"> Some of the benefits of an investment in CN2 include: <ul style="list-style-type: none"> Distributions are calculated on the basis of a floating rate (being the Market Rate) plus a fixed Margin, adjusted for BEN's Tax Rate; the Margin is expected to be between 3.20% and 3.40% and will be determined under the Bookbuild; Distributions are expected to be paid quarterly in arrears and are expected to be fully franked; and CN2 may be sold on ASX. 	Sections 2.1 and 2.3
<h3>1.4.2 Key risks associated with an investment in Capital Notes 2</h3>		
Not deposit liabilities or protected accounts under the Banking Act or Financial Claims Scheme	<ul style="list-style-type: none"> CN2 are not deposit liabilities of BEN or protected accounts for the purposes of the depositor protection provisions under the Banking Act or the Financial Claims Scheme. CN2 are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government, or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person. 	Section 6.1.1

1 Investment overview

Topic	Summary	Further information
1.4 Key benefits and risks of Capital Notes 2 <i>continued</i>		
1.4.2 Key risks associated with an investment in Capital Notes 2 <i>continued</i>		
Market price of Capital Notes 2	<ul style="list-style-type: none"> The price at which Holders are able to sell CN2 on ASX is uncertain and CN2 may experience market price volatility more or less than Ordinary Shares. Circumstances in which the price of CN2 may fluctuate include general financial market conditions, changes in government policy, changes in regulatory policy, impacts of regulatory change, the availability of better rates of return on other securities, investor perceptions, BEN's financial performance and position and the occurrence of or increase in the likelihood of the occurrence of one or more Distributions not being paid, a Capital Trigger Event or a Non-Viability Trigger Event. CN2 may trade at a market price below the Issue Price and there is no guarantee that CN2 will remain continuously quoted on ASX. 	Section 6.1.2
Liquidity	<ul style="list-style-type: none"> There may be no liquid market for CN2. The liquidity of the market for CN2 may be impacted by a number of factors, including changes in law such as the DDO Laws that came into force in October 2021 (see the "Design and distribution obligations" section at the front of this Prospectus) or as a result of potential changes to the Prudential Standards pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 (see Section 5.4.5). The impact of those obligations or potential changes may affect the liquidity of CN2 if they lead to a change in the investor base or a material reduction in future issuance volumes, reinvestment opportunities or secondary market trading activity. Holders who wish to sell their CN2 may be unable to do so at a price acceptable to them, or at all. 	Section 6.1.3
Exposure to BEN Group's financial performance	<ul style="list-style-type: none"> If BEN Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in CN2 could decline in value even if CN2 have not been Exchanged. 	Section 6.1.4
Changes in Distribution Rate	<ul style="list-style-type: none"> The Distribution Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Market Rate. There is a risk that the Distribution Rate may become less attractive when compared with the rates of return available on comparable securities. 	Section 6.1.5
Distributions may not be paid	<ul style="list-style-type: none"> There is a risk that Distributions will not be paid, including where the Directors resolve not to pay a Distribution or where APRA objects to a Distribution payment. Distributions are non-cumulative. Accordingly, in the event that BEN does not pay a scheduled Distribution, a Holder has no entitlement to that Distribution and failure to pay a Distribution when scheduled will not constitute an event of default. 	Section 6.1.6
Distributions may not be fully franked, and entitlement to franking credits	<ul style="list-style-type: none"> BEN expects Distributions to be fully franked. However, there is no guarantee that BEN will have sufficient franking credits in the future to fully frank Distributions. Holders should be aware that the ability to use franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder. Holders should refer to the Australian taxation summary in Section 7, and seek professional advice in relation to their tax position. 	Sections 6.1.7 and 7

1 Investment overview

Topic	Summary	Further information
1.4 Key benefits and risks of Capital Notes 2 <i>continued</i>		
1.4.2 Key risks associated with an investment in Capital Notes 2 <i>continued</i>		
Fluctuation in Ordinary Share price	<ul style="list-style-type: none"> The number of Ordinary Shares that Holders receive on Exchange is calculated by reference to a VWAP for Ordinary Shares during a period before Exchange. The VWAP during the relevant period before Exchange may differ from the market price for Ordinary Shares on or after the date of Exchange. This means that the value of Ordinary Shares received may be more or less than the number anticipated when they are issued or thereafter. The market price of Ordinary Shares may fluctuate due to various factors. These include investor perceptions, Australian and worldwide economic conditions, interest rates, credit margins, equity markets, movements in foreign exchange rates, BEN's financial performance and position and other factors that may affect that performance and position. The market price may also be affected by the actual or prospective Exchange of CN2. Holders receiving Ordinary Shares on Exchange may not be able to sell those Ordinary Shares at the price on which the Exchange calculation was based, or at all. 	Section 6.1.10
Capital Notes 2 are perpetual and Mandatory Exchange may not occur on the Scheduled Mandatory Exchange Date or at all	<ul style="list-style-type: none"> There is a risk that Exchange will not occur on the Scheduled Mandatory Exchange Date, or any subsequent Mandatory Exchange Date, because the Mandatory Exchange Conditions are not satisfied due to a large fall in the Ordinary Share price relative to the Issue Date VWAP, or where Ordinary Shares have been Delisted. 	Section 6.1.11
It is not certain whether and when Capital Notes 2 may be Exchanged, Redeemed or Resold	<ul style="list-style-type: none"> There are a number of scenarios in which CN2 may be Exchanged, Redeemed or Resold. It is uncertain whether and when Exchange, Redemption or Resale may occur. If an Exchange, Redemption or Resale does occur, the timing of the Exchange, Redemption or Resale may not suit Holders. CN2 (subject to certain conditions) may be Exchanged, Redeemed or Resold on a Call Date or following the occurrence of a Franking Event, Regulatory Event or a Tax Event. For example, a Regulatory Event may occur as a result of the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024. If such a Regulatory Event occurs, BEN may be entitled to, with the written approval of APRA, Redeem, Resell or Exchange CN2. CN2 must (subject to certain conditions) be Exchanged after a Change of Control Event. The timing of any Exchange, Redemption or Resale may not suit individual Holder preferences or circumstances. Exchange, Redemption or Resale is subject to APRA approval. 	Sections 6.1.12 to 6.1.14

1 Investment overview

Topic	Summary	Further information
<h2>1.4 Key benefits and risks of Capital Notes 2 <i>continued</i></h2>		
<h3>1.4.2 Key risks associated with an investment in Capital Notes 2 <i>continued</i></h3>		
Exchange following a Capital Trigger Event or a Non-Viability Trigger Event	<ul style="list-style-type: none"> Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. If Exchange occurs following a Capital Trigger Event or a Non-Viability Trigger Event, Holders are likely to receive Ordinary Shares that are worth significantly less than the Issue Price of CN2. In cases where Exchange of CN2 has not been effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event occurs for any reason, CN2 which should have been Exchanged will be Written Off with effect on and from the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event. This means those CN2 will not be Exchanged but instead the Holder's rights (including to payment of the Face Value and Distributions, and the right to receive Ordinary Shares) in relation to such CN2 (or a percentage of the Face Value of each CN2) are immediately and irrevocably terminated with effect on and from the Capital Trigger Event or Non-Viability Trigger Event, in which case the Holder's investment will lose all of its value, and the Holder will not have the Face Value repaid, will not receive any compensation and is likely to be worse off than holders of Ordinary Shares. This could occur if BEN is prevented from issuing Ordinary Shares by circumstances outside its control, for example, if BEN is prevented by a specified law or order of any court, or action of any government authority from issuing Ordinary Shares. 	Section 6.1.15
Exchange on a Change of Control Event	<ul style="list-style-type: none"> CN2 may be affected by merger and acquisition activity, including the possibility of being acquired by, or merged with, another company or group of companies, potentially resulting in a change of control. Where a Change of Control Event occurs, BEN is required, subject to satisfaction of certain conditions, to Exchange all CN2. Exchange may therefore occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. 	Section 6.1.16
Restrictions on rights and ranking on a winding-up of BEN	<ul style="list-style-type: none"> In a winding-up of BEN, if CN2 have not otherwise been Exchanged or Written Off, CN2 rank after the claims of all holders of Senior Ranking Obligations, equally with each Holder and holders of Equal Ranking Securities and ahead of holders of Junior Ranking Securities (being holders of Ordinary Shares). If there is a shortfall of funds on a winding-up of BEN to pay all amounts ranking higher than, and equally with, CN2, Holders will lose all or some of their investment should BEN become insolvent. 	Section 6.1.17
Changes to regulatory capital requirements in Australia	<ul style="list-style-type: none"> Any fall in BEN's Common Equity Tier 1 Capital Ratio as a result of future changes to regulatory capital requirements (including potential changes to the Prudential Standards pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024) may adversely impact the market price of CN2 or potentially increase the chance at a later date that Exchange takes place due to the occurrence of a Capital Trigger Event or Non-Viability Trigger Event. 	Section 6.1.19
Substitution of BEN for a NOHC	<ul style="list-style-type: none"> BEN may substitute for itself a NOHC as the debtor in respect of CN2 or as the issuer of ordinary shares on Exchange. If a NOHC is substituted as the debtor, it means that Holders would no longer have rights against BEN. If a NOHC is substituted as the issuer of ordinary shares on Exchange, it means that you will receive ordinary shares in the NOHC rather than BEN. The implementation of a NOHC structure may involve BEN selling some but not all of its business, and other subsidiaries, to the NOHC or a subsidiary of the NOHC. As a result, the profits and net asset position of BEN and the NOHC may be different to that of BEN prior to the NOHC structure being implemented. 	Sections 2.9.5, 2.9.6 and 6.1.25

1 Investment overview

Topic	Summary	Further information
1.4 Key benefits and risks of Capital Notes 2 <i>continued</i>		
1.4.3 Key risks associated with BEN generally		
Privacy and cybersecurity risk	<ul style="list-style-type: none"> BEN processes, stores and transmits large amounts of personal and confidential information through technology systems and networks. Although BEN invests in protecting this information, BEN may not always be able to anticipate a security threat, or be able to implement effective information security policies, procedures and controls to prevent or minimise the resulting damage. A security breach could lead to BEN experiencing operational disruption, data loss, legal or enforcement actions, and financial losses. 	Section 6.2.1
Financial crime risk	<ul style="list-style-type: none"> BEN is subject to a wide range of financial crimes regulations, such as anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws and sanctions laws. As a result of the ongoing conflict in Ukraine, BEN is subject to heightened operational and compliance risks in navigating transactions and dealings that may be affected by additional sanctions laws applied to Russia and potentially other governments. BEN's policies, systems and controls that are designed to manage its financial crime obligations may not always be effective and, to the extent that BEN is found to have failed, or in the future fails, to comply with its obligations under these laws, BEN may face regulatory enforcement action or other sanctions including litigation, fines, civil and criminal penalties, customer compensation obligations and enforceable undertakings. 	Section 6.2.2
Credit and impairment risk	<ul style="list-style-type: none"> As a financial institution, BEN is exposed to the risks associated with extending credit to other parties. Material unexpected credit losses could have an adverse effect on BEN's business, operations and financial performance and position. 	Section 6.2.3
Economic conditions risk	<ul style="list-style-type: none"> BEN's revenues and earnings are influenced by factors like economic activity, market interest rates, domestic and international economic and political events, natural disasters, cyberattacks, as well as the general state of the global economy (including the current inflationary environment). These factors could cause a reduction in demand for BEN's products and an increase in customer defaults, which may ultimately adversely impact BEN's operations, liquidity, capital resources and financial performance and position. Changes in investment markets will also directly affect BEN's financial performance. The geopolitical tensions and corresponding trade issues, particularly with China, pose additional economic risks. These risks could adversely affect BEN's business prospects, financial performance or condition. 	Section 6.2.4
Regulatory and government policy risk	<ul style="list-style-type: none"> BEN's businesses are highly regulated and BEN could be adversely affected by failing to comply with existing laws, regulations or regulatory policy. A failure to comply with any standards, laws, regulations or policies in any of the jurisdictions in which BEN operates could result in sanctions, regulator action or compensatory action by affected persons, which may in turn cause substantial damage to BEN's reputation and business. 	Section 6.2.5
Liquidity and funding risks	<ul style="list-style-type: none"> BEN is exposed to the risk that it is unable to meet its payment obligations as they fall due or that it has insufficient capacity to fund increases in assets. Reduced liquidity could lead to an increase in the cost of BEN's borrowings and possibly constrain the volume of new lending, which could adversely affect BEN's ongoing operations, funding position and profitability. Liquidity risk may increase during periods of market stress, in the event of deterioration in investor confidence in BEN, or in times of significant competition for funding (including customer deposits). If BEN's current sources of funding prove to be insufficient or too expensive, it may be forced to seek alternative financing, reduce lending or sell liquid securities, all of which may negatively impact BEN's profitability and overall financial position. 	Section 6.2.6

1 Investment overview

Topic	Summary	Further information
<h2>1.4 Key benefits and risks of Capital Notes 2 <i>continued</i></h2>		
<h3>1.4.3 Key risks associated with BEN generally <i>continued</i></h3>		
Litigation and contingent liabilities risk	<ul style="list-style-type: none"> From time to time, BEN may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities which may adversely affect BEN's results. In recent years, there have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. Regulatory investigations, fines, other penalties or regulator-imposed conditions could adversely affect BEN's reputation, prospects, financial performance and position and capital condition. 	Section 6.2.8
BEN is exposed to the risk that its capital levels are inadequate under stressed conditions or to support strategic opportunities	<ul style="list-style-type: none"> BEN's capital base is critical to the management of its businesses and access to funding. BEN's capital ratios and capital adequacy may be affected by a number of factors, including earnings, asset growth and quality, changes in regulatory requirements, and changes in business strategy (including acquisitions, divestments, investments and changes in capital intensive businesses). A reduction in BEN's capital base may impact how BEN uses its capital and can restrict its ability to pay dividends and Additional Tier 1 distributions, or to make stock repurchases, or restrict balance sheet growth. Inaccuracies in assessing BEN's capital requirements may also adversely impact BEN's operations, financial performance and financial position. 	Section 6.2.9
Property risk	<ul style="list-style-type: none"> Residential, commercial and rural property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to BEN. Rising interest rates in response to rising inflation (and following a prolonged period of asset price inflation and record low interest rates) may affect debt serviceability, reduce demand for residential property in Australia and, in respect of BEN's portfolio of commercial property loans, could cause a decline in interest coverage ratios and asset values and increase refinance risk and necessitate equity contributions towards debt reduction. A significant slowdown in the Australian property market could adversely affect BEN's business, operations and financial performance and position. Further, failure of any of the providers of Lenders Mortgage Insurance ("LMI") to BEN will increase the risk that BEN will be uninsured in the event of mortgage default, and have potentially negative effects on the BEN Group's operations and financial performance and position. 	Section 6.2.10
Technology Risk	<ul style="list-style-type: none"> The reliability, resilience and security of BEN's (and its third-party vendors') information technology systems and infrastructure are essential to the effective operation of its business and consequently to its financial performance and position. BEN is exposed to the risk that these systems are disrupted by information security breaches, cyberattacks, system/data integrity errors or information technology outages. Any disruption to BEN's technology (including disruption to the technology systems of BEN's external providers) may result in operational disruption, regulatory enforcement actions, litigation, financial losses amongst other adverse consequences. 	Section 6.2.12

1 Investment overview

Topic	Summary	Further information
1.4 Key benefits and risks of Capital Notes 2 <i>continued</i>		
1.4.3 Key risks associated with BEN generally <i>continued</i>		
Climate and sustainability related risk	<ul style="list-style-type: none"> Climate and sustainability-related risks have had, and are likely to have, adverse effects on BEN, customers, external suppliers, its people, and the communities in which it operates. Failure to effectively manage climate- and sustainability-related risks could adversely affect BEN's business, prospects, reputation and financial performance or position. Physical risks such as extreme weather events may impact BEN and its customers through disruptions to business and economic activity, inability to access insurance and/or impacts on income and asset values. Transition risks such as policy, legal, technological, market and reputational risks could lead to higher compliance and/or funding costs, the contraction of revenue from sectors materially exposed to transition risk, and potential legal or regulatory risk. BEN's goal of becoming a net-zero bank requires significant changes to lending policies and operational processes, and is partially dependent on external factors including government climate policy, electricity grid transmission capacity and progress with new renewable projects. Failure or perceived failure to adapt BEN's strategy, governance, procedures, systems and controls to proactively manage or disclose evolving climate-related and sustainability-related risks and opportunities may give rise to reputational damage, legal issues, shareholder activism and regulatory scrutiny. 	Section 6.2.14
1.5 Information about the Offer and how to apply		
What is the Target Market?	<ul style="list-style-type: none"> BEN has made a Target Market Determination for Capital Notes 2 in accordance with its obligations under the DDO Laws. The TMD describes, among other things, the class of retail investors that comprise the Target Market for CN2. That Target Market is set out in Section 4.2 and a copy of the TMD is available from www.CN2offer.bendigoadelaide.com.au. If you are a retail investor and wish to apply for Capital Notes 2, you can only apply for CN2 if you are within the Target Market and have received personal financial product advice from a financial adviser to acquire CN2. <p>You are not eligible to apply for, and you should not apply for, CN2 if you are retail investor and are not within the Target Market.</p>	Section 4.2
What is the structure of the Offer?	<ul style="list-style-type: none"> The Offer consists of: <ul style="list-style-type: none"> a Reinvestment Offer – to clients of Syndicate Brokers, and Institutional Investors, who are Eligible CPS4 Holders wishing to reinvest some or all of their CPS4 in CN2; and a New Money Offer – to eligible clients of Syndicate Brokers, and Institutional Investors, wishing to make a new investment in CN2. Unlike the previous Capital Notes offer, there is no specific offer for BEN securityholders and no general public offer. 	“Design and distribution obligations” section at the front of this Prospectus and Sections 3 and 4

1 Investment overview

Topic	Summary	Further information
<h2>1.5 Information about the Offer and how to apply <i>continued</i></h2>		
What is the Reinvestment Offer?	<ul style="list-style-type: none"> The Reinvestment Offer is an opportunity for Eligible CPS4 Holders to apply to reinvest all or some of their CPS4 in CN2. Participation in the Reinvestment Offer is optional for Eligible CPS4 Holders. All Applications under the Reinvestment Offer must be made through a Syndicate Broker. You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether you meet the eligibility requirements. Eligible CPS4 Holders do not need to submit a cash Application Payment to reinvest their CPS4 Resale Proceeds in CN2. Eligible CPS4 Holders who participate in the Reinvestment Offer will have the CPS4 Resale Proceeds (i.e. \$100 per CPS4) applied to the Application Payment for CN2. Eligible CPS4 Holders will also have the opportunity to apply for additional CN2. For information on the Reinvestment Offer, including the options available to Eligible CPS4 Holders, see Section 3. 	Section 3.1
What is the CPS4 Dividend and when will it be paid?	<ul style="list-style-type: none"> Holders of CPS4 can expect to receive the scheduled dividend of \$1.4151 per CPS4 on 13 March 2024, subject to the CPS4 Terms. The CPS4 Dividend scheduled to be paid on 13 June 2024 has been split into two dividends to facilitate the Reinvestment Offer – the First Pro Rata Dividend and the Second Pro Rata Dividend. The First Pro Rata Dividend is scheduled to be paid on all CPS4 on the Issue Date of CN2 (which is expected to be 25 March 2024) irrespective of whether you are participating in the Reinvestment Offer or not (subject to this Prospectus not being withdrawn, the payment conditions in the CPS4 Terms being satisfied and BEN's absolute discretion). The Second Pro Rata Dividend is scheduled to be paid on all CPS4 outstanding on 13 June 2024 (that is CPS4 which have not been resold as part of the Reinvestment Offer). 	Section 3.1.8
Who may apply for Capital Notes 2?	<ul style="list-style-type: none"> Applications (under both the Reinvestment Offer and New Money Offer) will only be accepted from investors who satisfy the eligibility requirements in accordance with the TMD, which are outlined in the “Design and distribution obligations” section at the front of this Prospectus and in Section 4.3.1. If you are a retail investor, you should note that, in order to be eligible to apply for CN2 (under either the Reinvestment Offer or the New Money Offer), you must be within the Target Market and have received personal financial product advice from a financial adviser to acquire CN2. In addition to the above, to be eligible to participate in the Reinvestment Offer, CPS4 Holders must also be registered holders of CPS4 shown on the Register at 7:00pm on the Reinvestment Offer Record Date, being 22 February 2024, as having an address in Australia. BEN reserves the right to accept Applications from any person at its discretion. 	“Design and distribution obligations” section at the front of this Prospectus, Sections 3 and 4 and the TMD, available at www.CN2offer.bendigoadelaide.com.au

1 Investment overview

Topic	Summary	Further information
1.5 Information about the Offer and how to apply <i>continued</i>		
How do I apply?	<ul style="list-style-type: none"> • Applications under the Offer can only be made by eligible investors who received an Allocation of CN2 from a Syndicate Broker under the Bookbuild. All Applications (both for the Reinvestment Offer and the New Money Offer) must be submitted through a Syndicate Broker. • A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus. • You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether you satisfy the eligibility requirements. BEN will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens. • Unlike the previous Capital Notes offer, no Applications (including from Eligible CPS4 Holders) can be made directly to BEN. • For information on how to apply for CN2, see Section 4.3. 	“Design and distribution obligations” section at the front of this Prospectus and Section 4.3
When do I apply?	<ul style="list-style-type: none"> • The key dates for the Offer are summarised on page 5. • Applications will only be accepted during the Offer Period. • The Offer opens on Thursday, 5 March 2024. • The Reinvestment Offer and New Money Offer close at 5:00pm on Tuesday, 19 March 2024. 	Section 4.3.1
Is there a minimum Application size?	<ul style="list-style-type: none"> • Applications must be for a minimum of 50 CN2 (\$5,000). • If your Application is for more than 50 CN2, you must apply in multiples of 10 CN2 (\$1,000) thereafter. • If you are an Eligible CPS4 Holder, you may apply to reinvest all or some of your CPS4 in CN2 under the Reinvestment Offer. However, if you wish to participate in the Reinvestment Offer and: <ul style="list-style-type: none"> • you own 50 CPS4 or fewer, you must apply to reinvest all your CPS4; or • you own more than 50 CPS4, you must apply to reinvest a minimum of 50 CPS4 (\$5,000). • If you apply to reinvest all your CPS4, you may also apply for additional CN2. Your Application for additional CN2 must be for a minimum of 50 additional CN2 (\$5,000), and in multiples of 10 CN2 (\$1,000) thereafter (over and above your Application for reinvestment). 	Sections 3.5.1 and 4.3.1
How will Allocations be determined?	<ul style="list-style-type: none"> • There is no guaranteed Allocation under the Offer, but BEN will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will only be applicable where an Eligible CPS4 Holder has received an Allocation of CN2 from a Syndicate Broker under the Bookbuild, and provided that the Eligible CPS4 Holder provides satisfactory evidence to the Syndicate Broker that the Applicant satisfies the eligibility requirements in accordance with the TMD. This priority will not extend to (i) Applications for additional CN2 by Eligible CPS4 Holders under the New Money Offer, or (ii) Applications under the Reinvestment Offer where the Eligible CPS4 Holder has not received an Allocation of CN2 under the Bookbuild. • The Allocations for Joint Lead Managers (and their affiliated retail brokers), Co-Managers and Institutional Investors will be determined under the Bookbuild. BEN has the right to nominate the persons to whom CN2 were or will be Allocated, including in respect of firm Allocations to Syndicate Brokers and Institutional Investors under the Bookbuild. • Allocations to Applicants under the New Money Offer from a Syndicate Broker are at the discretion of that Syndicate Broker. It is possible for Applications under the New Money Offer to be scaled back by a Syndicate Broker. BEN takes no responsibility for any Allocation, scale back or rejection that is decided by a Syndicate Broker. • Allocations to Institutional Investors will be agreed by BEN and the Joint Lead Managers following completion of the Bookbuild. 	Section 4.5.2

1 Investment overview

Topic	Summary	Further information
1.5 Information about the Offer and how to apply <i>continued</i>		
Is brokerage or stamp duty payable?	<ul style="list-style-type: none"> No brokerage or stamp duty is payable by you on your Application. You may be required to pay brokerage if you sell your CN2 on ASX after CN2 have been quoted on ASX. 	Section 4.3.2
What are the tax implications of investing in Capital Notes 2?	<ul style="list-style-type: none"> A general description of the Australian taxation consequences of investing in CN2, and the Australian taxation consequences for CPS4 Holders upon the resale of their CPS4, is set out in Section 7. If you intend to participate in the Reinvestment Offer, you should obtain your own tax advice regarding the resale of your CPS4, having regard to your individual circumstances. 	Section 7
What happens to my CPS4 if I do not participate in the Reinvestment Offer?	<ul style="list-style-type: none"> If you are a Non-Participating CPS4 Holder or do not reinvest all of your CPS4, you can continue to hold your Non-Participating CPS4, which will be dealt with in accordance with the CPS4 Terms. You will be paid the following dividends on Non-Participating CPS4: <ul style="list-style-type: none"> the First Pro Rata Dividend on 25 March 2024 for each CPS4 held on the record date, being 13 March 2024; and the Second Pro Rata Dividend on 13 June 2024 for each CPS4 held on the record date, being 31 May 2024, in each case provided that the dividend payment conditions in the CPS4 Terms are satisfied. Under the CPS4 Terms, BEN may elect to exchange CPS4 on 13 June 2024, subject to APRA's prior written approval, further conditions and BEN's absolute discretion. As at the date of this Prospectus, BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. If the intended resale and redemption were to occur, you will be paid the resale proceeds of \$100 per Non-Participating CPS4 that you still hold on that date. 	Sections 3.1.6, 3.1.8 and 3.3.1
Is there a minimum amount to be raised?	<ul style="list-style-type: none"> No. The Offer is for the issue of CN2 to raise \$250 million with the ability to raise more or less. 	Section 2.1.2
Is the Offer underwritten?	<ul style="list-style-type: none"> No. 	
What is the purpose of the Offer and how will the expenses of the Offer be paid?	<ul style="list-style-type: none"> The Offer is being made as part of BEN's ongoing capital management strategy, with CN2 being eligible Additional Tier 1 Capital. The CN2 proceeds will be used to fund the redemption of Participating CPS4 in the hands of the CPS4 Nominated Purchaser and for BEN's general corporate purposes. The CN2 proceeds may also be used to fund the redemption of Non-Participating CPS4 (which have an optional exchange date of 13 June 2024), however this remains subject to the CPS4 Terms and will be at BEN's absolute discretion. The total expenses of the Offer will be paid out of the proceeds of the Offer. 	Sections 2.1.4 and 9.3
What is the impact of the Offer on BEN?	<ul style="list-style-type: none"> See Section 5.3.2 for pro forma information on the impact of the Offer on BEN. 	Section 5.3.2
When will I receive confirmation that my Application has been successful?	<ul style="list-style-type: none"> Applicants will be able to confirm their Allocation through the Syndicate Broker from whom they received their Allocation. 	Section 4.6.2

2 About Capital Notes 2

The following is an overview of the key terms of Capital Notes 2. The information in this Section is a summary only and does not contain the full terms and conditions of Capital Notes 2. It is important that you read this Prospectus, the Capital Notes 2 Terms, the Capital Notes 2 Deed Poll and the TMD in full before deciding to invest in Capital Notes 2. If you have any questions, you should seek advice from your Syndicate Broker, financial adviser or other professional adviser.

The full Capital Notes 2 Terms are contained in Appendix A. Rights and liabilities attaching to Capital Notes 2 may also arise under the Corporations Act, the ASX Listing Rules and other applicable laws.

Topic	Summary	Further information
2.1 General		
2.1.1 What are Capital Notes 2?	<ul style="list-style-type: none"> • CN2 are fully paid, non-cumulative, convertible, perpetual, subordinated, unsecured notes issued by BEN. They are issued, and may be Exchanged, Redeemed or Resold or otherwise terminated, by BEN, in accordance with the Capital Notes 2 Terms. 	Clause 1.1 of the Capital Notes 2 Terms
2.1.2 What is the size of the Offer?	<ul style="list-style-type: none"> • The Offer is for the issue of CN2 to raise \$250 million with the ability to raise more or less. 	
2.1.3 What amount required to pay?	<ul style="list-style-type: none"> • \$100 per CN2. • Applications must be for a minimum of 50 CN2 (\$5,000), unless you hold fewer than 50 CPS4 and apply to participate in the Reinvestment Offer – see Section 3 for further details. If your Application is for more than 50 CN2, then you must apply in incremental multiples of 10 CN2 – that is, for incremental multiples of \$1,000. • These restrictions do not apply to Eligible CPS4 Holders in certain circumstances. 	Clause 1.2 of the Capital Notes 2 Terms and Section 4.3.1
2.1.4 What is the purpose of the Offer?	<ul style="list-style-type: none"> • The Offer is being made as part of BEN's ongoing capital management strategy, with CN2 being eligible Additional Tier 1 Capital. • The CN2 proceeds will be used to fund the redemption of Participating CPS4 (in the hands of the CPS4 Nominated Purchaser) and for BEN's general corporate purposes. The CN2 proceeds may also be used to fund the redemption of Non-Participating CPS4 (which have an optional exchange date of 13 June 2024), however this remains subject to the CPS4 Terms and will be at BEN's absolute discretion. 	
2.1.5 What is the term of Capital Notes 2?	<ul style="list-style-type: none"> • CN2 are perpetual and do not have a fixed maturity date. • Subject to APRA's prior written approval, BEN may elect to Exchange, Redeem or Resell some or all CN2 on a Call Date, being each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031. • On the Scheduled Mandatory Exchange Date, being 13 September 2033, Holders will receive Ordinary Shares on Exchange of CN2 (subject to the Mandatory Exchange Conditions being satisfied and provided CN2 are not otherwise Exchanged, Redeemed, Resold or Written Off earlier). • BEN must also Exchange or Write-Off CN2 if a Capital Trigger Event or a Non-Viability Trigger Event occurs. Such Exchange is not subject to the Mandatory Exchange Conditions and can occur at any time. See Section 2.6.7 for what happens if Exchange cannot occur following a Capital Trigger Event or a Non-Viability Trigger Event. • There are other limited circumstances where CN2 may be Exchanged, Redeemed or Resold and all CN2 must be Exchanged following a Change of Control Event subject to certain conditions. 	Clauses 1.1, 3, 4, 5, 6 and 7 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information																																								
2.1 General <i>continued</i>																																										
2.1.6 Will Capital Notes 2 be quoted on ASX?	<ul style="list-style-type: none"> BEN will apply for CN2 to be quoted on ASX and CN2 are expected to trade under ASX code "BENPI". 	Section 4.6.1																																								
2.1.7 Will Capital Notes 2 be rated?	<ul style="list-style-type: none"> BEN has not sought a credit rating for CN2. 																																									
2.1.8 Are Capital Notes 2 guaranteed by the Australian Government?	<ul style="list-style-type: none"> No. CN2 are not obligations of the Australian Government or of any other government, and in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person. CN2 are not deposit liabilities of BEN or "protected accounts" for the purposes of the Banking Act or Financial Claims Scheme. 	Clause 1.7 of the Capital Notes 2 Terms																																								
2.1.9 Are Capital Notes 2 secured?	<ul style="list-style-type: none"> CN2 are not secured against any asset of BEN. 	Clause 1.1 of the Capital Notes 2 Terms																																								
2.1.10 Comparison of Capital Notes 2 with certain other BEN Additional Tier 1 Capital securities	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Capital Notes 2¹</th> <th style="text-align: center;">Capital Notes</th> <th style="text-align: center;">CPS4</th> </tr> </thead> <tbody> <tr> <td>Legal form</td> <td>Unsecured, subordinated debt</td> <td>Unsecured, subordinated debt</td> <td>Preference share</td> </tr> <tr> <td>ASX code</td> <td>Expected to trade under "BENPI"</td> <td>BENPH</td> <td>BENPG</td> </tr> <tr> <td>Issue Price</td> <td>\$100 per CN2</td> <td>\$100 per Capital Note</td> <td>\$100 per CPS4</td> </tr> <tr> <td>Amount to be issued/currently on issue</td> <td>\$250 million, with the ability to raise more or less</td> <td>\$502 million</td> <td>\$322 million</td> </tr> <tr> <td>Margin above the relevant bank bill rate</td> <td>Expected to be between 3.20% and 3.40% above the 90 day bank bill rate</td> <td>3.80% above the 90 day bank bill rate</td> <td>3.75% above the 90 day bank bill rate</td> </tr> <tr> <td>Nature of distributions</td> <td> <ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative </td> <td> <ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative </td> <td> <ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative </td> </tr> <tr> <td>Rights if distributions not fully franked</td> <td>Gross up</td> <td>Gross up</td> <td>Gross up</td> </tr> <tr> <td>Payment tests for distributions</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Dividend restriction if distributions not paid</td> <td>Yes, however only applies to dividends on Ordinary Shares until and including the next Distribution Payment Date</td> <td>Yes, however only applies to dividends on Ordinary Shares until and including the next distribution payment date</td> <td>Yes, however only applies to dividends on Ordinary Shares until and including the next dividend payment date</td> </tr> </tbody> </table>		Capital Notes 2 ¹	Capital Notes	CPS4	Legal form	Unsecured, subordinated debt	Unsecured, subordinated debt	Preference share	ASX code	Expected to trade under "BENPI"	BENPH	BENPG	Issue Price	\$100 per CN2	\$100 per Capital Note	\$100 per CPS4	Amount to be issued/currently on issue	\$250 million, with the ability to raise more or less	\$502 million	\$322 million	Margin above the relevant bank bill rate	Expected to be between 3.20% and 3.40% above the 90 day bank bill rate	3.80% above the 90 day bank bill rate	3.75% above the 90 day bank bill rate	Nature of distributions	<ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative 	<ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative 	<ul style="list-style-type: none"> Floating rate Quarterly Frankable Discretionary Non-cumulative 	Rights if distributions not fully franked	Gross up	Gross up	Gross up	Payment tests for distributions	Yes	Yes	Yes	Dividend restriction if distributions not paid	Yes, however only applies to dividends on Ordinary Shares until and including the next Distribution Payment Date	Yes, however only applies to dividends on Ordinary Shares until and including the next distribution payment date	Yes, however only applies to dividends on Ordinary Shares until and including the next dividend payment date	
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1. BEN will apply for CN2 to be quoted on the ASX and they are expected to trade on the ASX under the code BENPI. Following quotation, CN2 may be purchased or sold on the ASX by investors at the prevailing market price. However, CN2 may trade at a market price above or below their Face Value of \$100 per CN2. CN2 will be issued subject to the DDO Laws and, as a result, the Offer has different investor eligibility requirements as compared to BEN's offer of Capital Notes, which was completed before the DDO Laws came into effect. Section 6.1.21 describes the risk that the liquidity of existing instruments (such as Capital Notes) and new instruments (such as CN2) may be affected by the DDO Laws.

2 About Capital Notes 2

Topic	Summary	Further information		
2.1 General <i>continued</i>				
2.1.10		Capital Notes 2	Capital Notes	CPS4
Comparison of Capital Notes 2 with certain other BEN Additional Tier 1 Capital securities <i>continued</i>	Scheduled mandatory exchange or conversion date	13 September 2033	15 June 2029	15 June 2026
	Exchange discount	1.0%	1.0%	1.0%
	Capital Trigger Event and Non-Viability Trigger Event	Capital Notes 2 must Exchange if a Capital Trigger Event or a Non-Viability Trigger Event occurs If Exchange is not effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event for any reason, Capital Notes 2 would be Written Off	Capital Notes must exchange if a Capital Trigger Event or a Non-Viability Trigger Event occurs If exchange is not effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event for any reason, the Capital Notes would be written off	CPS4 must convert if a Capital Trigger Event or a Non-Viability Trigger Event occurs If conversion is not effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event for any reason, the CPS4 would be written off
	Exchange	By BEN, all or some Capital Notes 2 on 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031 or after the occurrence of certain events. No early Exchange rights for Holders but BEN must (subject to certain conditions). Exchange all Capital Notes on the Mandatory Exchange Date or following a Change of Control Event	By BEN, all or some Capital Notes on 15 June 2027 or after the occurrence of certain events. No early exchange rights for Holders but BEN must (subject to certain conditions). Exchange all Capital Notes on the mandatory exchange date or following a Change of Control Event	By BEN, all or some CPS4 on 13 June 2024 or after the occurrence of certain events. No early exchange rights for holders but BEN must (subject to certain conditions) convert on a mandatory conversion date or following a Change of Control Event
	Capital Notes 2 rights in a winding-up	<ul style="list-style-type: none"> • Ahead of Junior Ranking Securities • Equally amongst CN2, Capital Notes and CPS4 and any other Equal Ranking Securities • After the claims of all holders of Senior Ranking Obligations • Holders' rights are subject to any requirement for Exchange due to a Capital Trigger Event or a Non-Viability Trigger Event 		
	Voting rights	No right to vote at general meetings of holders of Ordinary Shares	No right to vote at general meetings of holders of Ordinary Shares	No right to vote at general meetings of holders of Ordinary Shares
	Capital classification on issue	Additional Tier 1 Capital	Additional Tier 1 Capital	Additional Tier 1 Capital
	Issue Date	25 March 2024	30 November 2020	13 December 2017

2 About Capital Notes 2

Topic	Summary	Further information
2.2 Regulatory treatment of Capital Notes 2		
2.2.1 Who is APRA?	<ul style="list-style-type: none"> The Australian Prudential Regulation Authority (“APRA”) is the prudential regulator of the Australian financial services industry. APRA oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance companies, private health insurers, friendly societies, and most members of the superannuation industry. 	Section 5.4.1
2.2.2 What is regulatory capital?	<ul style="list-style-type: none"> Any business requires capital to support its income generating activities in its chosen industry. Capital is the cornerstone of an Authorised Deposit-taking Institution’s (“ADI”) financial strength. It supports an ADI’s operations by providing a buffer to absorb unanticipated losses from its activities and, in the event of problems, assists the ADI to continue to operate in a sound and viable manner while problems are addressed or resolved. APRA’s Prudential Standards set out minimum capital and risk management requirements which are designed to ensure that, under all reasonable circumstances, financial promises made by the institutions it supervises (including BEN) are met within a stable, efficient and competitive financial system. APRA has detailed guidelines and restrictions on the types of capital instruments that are permitted to form the capital base. The types of capital deemed eligible for inclusion in the capital base are referred to as regulatory capital. APRA classifies an ADI’s regulatory capital into two tiers for its supervisory purposes – referred to as Tier 1 Capital and Tier 2 Capital. Tier 1 Capital is generally considered a higher quality capital than Tier 2 Capital for prudential purposes. For these purposes the quality of capital is assessed by reference to features such as longevity and availability to absorb losses incurred by the ADI and so reflects a greater level of risk from an investor perspective. 	Section 5.4.1
2.2.3 What is Tier 1 Capital?	<ul style="list-style-type: none"> Tier 1 Capital is comprised of: <ul style="list-style-type: none"> Common Equity Tier 1 Capital; and Additional Tier 1 Capital. Common Equity Tier 1 Capital is recognised as the highest quality component of capital. Common Equity Tier 1 Capital for ADIs will comprise paid-up ordinary shares, retained earnings, other disclosed reserves permitted for inclusion by APRA and certain other items permitted by APRA less regulatory adjustments applied in the calculation of Common Equity Tier 1 Capital. The non-common equity components of Tier 1 Capital which do not satisfy all of the criteria for inclusion in Common Equity Tier 1 Capital are referred to as Additional Tier 1 Capital. These instruments must be able to absorb losses on a going-concern basis, and can be classified as either equity or liability instruments for accounting purposes. Additional Tier 1 Capital ranks behind the claims of depositors and other more senior creditors in a winding-up and provides fully discretionary capital distributions. Additional Tier 1 Capital must be the most subordinated instrument issued by BEN other than Ordinary Shares. 	Section 5.4.2
2.2.4 What is the regulatory treatment of Capital Notes 2?	<ul style="list-style-type: none"> APRA has confirmed that CN2 will be eligible for inclusion as Additional Tier 1 Capital as defined by APRA from time to time. 	Section 5.4.2

2 About Capital Notes 2

Topic	Summary	Further information
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2.3 Distributions

Capital Notes 2 are expected to pay quarterly Distributions, which are expected to be fully franked.

A Distribution will be paid only if the Directors resolve to pay it and if other conditions (summarised below) are met.

The Distribution Rate used to calculate Distributions payable on Capital Notes 2 is based on a floating rate (i.e. it will fluctuate), which is equal to the sum of a market reference rate (the Market Rate), plus a margin (the Margin, as determined under the Bookbuild), adjusted for BEN's Tax Rate.

If a Distribution is not paid, Holders have no right to receive that Distribution at any later time. However (subject to certain exceptions), BEN must not (without the approval of a Special Resolution) declare, determine to pay or pay dividends on Ordinary Shares, or return any capital or undertake any buy-backs or repurchases in relation to any Ordinary Shares, unless the Distribution is paid in full within five Business Days of the relevant Distribution Payment Date.

<p>2.3.1 What are Distributions?</p>	<ul style="list-style-type: none"> • Distributions on CN2 are discretionary, non-cumulative floating rate payments and are subject to certain Distribution Payment Conditions. • Distributions are scheduled to be paid quarterly in arrears on the Distribution Payment Dates, subject to the Distribution Payment Conditions. • Holders are expected to receive Distributions which have been fully franked. The value and availability of franking credits to a Holder will depend on the Holder's particular tax circumstances. Holders will not receive the benefit of the franking credits at the time the Distribution is paid, but only as an offset to the income tax payable by the Holder for the year of income in which the Distribution is paid. • If any Distribution payment is not fully franked, the amount of it would be increased to compensate for the unfranked amount. This increased Distribution will also be subject to the Distribution Payment Conditions. • Distributions are non-cumulative. If all or any part of a Distribution is not paid on a Distribution Payment Date, Holders have no claim or entitlement in respect of non-payment and no right to receive that Distribution at any later time. 	<p>Clauses 2.1, 2.4, 2.5 and 2.6 of the Capital Notes 2 Terms</p>										
<p>2.3.2 How will the Distribution Rate be calculated?</p>	<p>• The Distribution Rate (expressed as a percentage per annum) for each Distribution Period is the rate calculated using the following formula:</p> $\text{Distribution Rate} = (\text{Market Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$ <p>where:</p> <ul style="list-style-type: none"> • the Market Rate is the rate calculated in accordance with the methodology set out in Section 2.3.3; • the Margin is expected to be between 3.20% and 3.40% and will be determined under the Bookbuild and announced to the market on or around 1 March 2024; and • the Tax Rate is the Australian corporate tax rate applicable to the franking account of BEN on the relevant Distribution Payment Date (expressed as a decimal). <p>As an example, assuming the Market Rate for the relevant Distribution Period is 4.30% per annum, the Tax Rate is 30% and the Margin is 3.20%, then if the Distribution is fully franked the Distribution Rate for that Distribution Period would be calculated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">Market Rate</td> <td style="text-align: right;">4.30% per annum</td> </tr> <tr> <td>Plus Margin</td> <td style="text-align: right;">3.20% per annum</td> </tr> <tr> <td>Equivalent unfranked Distribution Rate</td> <td style="text-align: right;">7.50% per annum</td> </tr> <tr> <td>Multiplied by (1 – Tax Rate)</td> <td style="text-align: right;">x 0.70</td> </tr> <tr> <td>Indicative fully franked Distribution Rate =</td> <td style="text-align: right;">5.25% per annum</td> </tr> </tbody> </table> <p>If the potential value of the franking credits is taken into account in full, the indicative fully franked Distribution Rate of 5.25% per annum would be equivalent to an unfranked Distribution Rate of approximately 7.50% per annum.</p>	Market Rate	4.30% per annum	Plus Margin	3.20% per annum	Equivalent unfranked Distribution Rate	7.50% per annum	Multiplied by (1 – Tax Rate)	x 0.70	Indicative fully franked Distribution Rate =	5.25% per annum	<p>Clause 2.2 of the Capital Notes 2 Terms and Section 2.3.3</p>
Market Rate	4.30% per annum											
Plus Margin	3.20% per annum											
Equivalent unfranked Distribution Rate	7.50% per annum											
Multiplied by (1 – Tax Rate)	x 0.70											
Indicative fully franked Distribution Rate =	5.25% per annum											

2 About Capital Notes 2

Topic	Summary	Further information										
2.3 Distributions <i>continued</i>												
2.3.2 How will the Distribution Rate be calculated? <i>continued</i>	<ul style="list-style-type: none"> It is possible for the Market Rate to become negative. Should this occur, the negative amount will be taken into account in calculating the Distribution Rate. For example, if the Market Rate is -1.00% per annum, the Tax Rate is 30% and the Margin is 3.20% per annum, then if the Distribution is fully franked the Distribution Rate for that Distribution Period would be calculated as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Market Rate</td> <td style="text-align: right;">-1.00% per annum</td> </tr> <tr> <td>Plus Margin</td> <td style="text-align: right;">3.20% per annum</td> </tr> <tr> <td>Equivalent unfranked Distribution Rate</td> <td style="text-align: right;">2.20% per annum</td> </tr> <tr> <td>Multiplied by (1 – Tax Rate)</td> <td style="text-align: right;">x 0.70</td> </tr> <tr> <td>Indicative fully franked Distribution Rate =</td> <td style="text-align: right;">1.54% per annum</td> </tr> </table> <p>If the Distribution Rate was negative, there would be no obligation on CN2 Holders to pay BEN.</p>	Market Rate	-1.00% per annum	Plus Margin	3.20% per annum	Equivalent unfranked Distribution Rate	2.20% per annum	Multiplied by (1 – Tax Rate)	x 0.70	Indicative fully franked Distribution Rate =	1.54% per annum	Clause 2.2 of the Capital Notes 2 Terms and Section 2.3.3
Market Rate	-1.00% per annum											
Plus Margin	3.20% per annum											
Equivalent unfranked Distribution Rate	2.20% per annum											
Multiplied by (1 – Tax Rate)	x 0.70											
Indicative fully franked Distribution Rate =	1.54% per annum											
2.3.3 What is the Market Rate?	<ul style="list-style-type: none"> The “Market Rate” means, subject to the bullet point immediately below, the “Bank Bill Swap Reference Rate” administered by ASX Benchmarks Pty Limited (or any other person that takes on the administration of that rate) expressed as a percentage per annum for a term of 3 months as displayed on the “BBSW” page published through information vendors (or any page that replaces that page) on the first Business Day of the Distribution Period, provided that where CN2 are Resold, Exchanged or Redeemed on a day which is not a scheduled Distribution Payment Date, and a Distribution is payable, then the Market Rate for the Distribution Period commencing on the Resale Date, Exchange Date or Redemption Date (as applicable) in respect of such CN2 shall be the Market Rate for the Distribution Period preceding the relevant Resale Date, Exchange Date, or Redemption Date. BEN will announce the relevant Distribution Rate and the amount of Distribution payable for each Distribution Period. If BEN determines that the Market Rate has been affected by a “Market Rate Disruption Event”, BEN may select an Alternative Market Rate that it considers appropriate and make other related changes to the Capital Notes 2 Terms (subject to APRA’s prior written approval in certain circumstances). Approval is at the discretion of APRA and may or may not be given. Holders should note that APRA’s approval may not be given for any Alternative Market Rate it considers to have the effect of increasing the Distribution Rate contrary to Prudential Standards. Broadly, a Market Rate Disruption Event occurs where the Market Rate is not published by 10:30am (or such other time BEN considers appropriate on that day), there is an obvious error in the published rate, the rate has been discontinued or has ceased to be calculated or administered, or it is no longer generally accepted in the Australian market as a reference rate appropriate for securities such as CN2. BEN is required to act in good faith and in a commercially reasonable manner in selecting an Alternative Market Rate, and may consult with sources that it considers appropriate, but may otherwise exercise its discretion. 	Clauses 2.1, 2.2 and 2.8 of the Capital Notes 2 Terms										

2 About Capital Notes 2

Topic	Summary	Further information
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2.3 Distributions *continued*

2.3.3 What is the Market Rate? *continued*

- The graph below illustrates the movement in the Market Rate over the last 10 years. The Market Rate on 16 February 2024 was 4.34% per annum.

Clauses 2.1, 2.2 and 2.8 of the Capital Notes 2 Terms



- The above graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual Market Rate. The actual Market Rate for the first and subsequent Distribution Periods may be higher or lower than the rates in the above graph.
- It is possible for the Market Rate to be negative. If this occurs, the negative amount will be taken into account in calculating the Distribution Rate (although there is no obligation on Holders to pay BEN if the Distribution Rate becomes negative).

For a full description of the calculation of the Market Rate, see clause 2.2 of the Capital Notes 2 Terms.

2.3.4 How will the Distribution be calculated for each Distribution Period?

- The Distribution payable on each CN2 for each Distribution Period will be calculated in accordance with the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times \text{Face Value} \times \text{N}}{365}$$

Clause 2.3 of the Capital Notes 2 Terms

where:

- Distribution Rate** means the interest rate (expressed as a percentage per annum) calculated in accordance with the formula set out in Section 2.3.2;
- Face Value** means A\$100 per CN2 ("**Initial Face Value**") reduced (if applicable) by the amount of Face Value per CN2 which has previously been Exchanged or the amount of Face Value per CN2 for which Holders' rights have been irrevocably terminated; and
- N** means, in respect of a Distribution Period, the number of days in that Distribution Period.

Following the formula above, if the Distribution Rate was 5.25% per annum, then the Distribution on each CN2 for the relevant Distribution Period (if the Distribution Period was 90 days) would be calculated as follows:

Indicative fully franked Distribution Rate	5.25% per annum
Multiplied by the Face Value (assuming the Initial Face Value applies)	x \$100.00
Multiplied by the number of days in the Distribution Period	x 90
Divided by 365	÷ 365
Indicative fully franked Distribution payment for the relevant Distribution Period per CN2	\$1.2945

The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Distribution payment for any Distribution Period. Actual Distribution payments may be higher or lower than this example. The Distribution Rate for the first Distribution Period will be set on the Issue Date and will include the Margin of between 3.20% and 3.40% as determined under the Bookbuild. You should note that the first Distribution Period is a shorter period of 80 days and other Distribution Periods will otherwise generally be 90 to 92 days.

2 About Capital Notes 2

Topic	Summary	Further information
2.3 Distributions <i>continued</i>		
2.3.5 How will Distributions be paid?	<ul style="list-style-type: none"> • Distributions are scheduled to be paid to Holders whose details are recorded with the Registry at 7:00pm on the record date of the applicable Distribution. • Distributions and any other amount payable will be paid by electronic transfer to a bank account maintained in Australia with a financial institution nominated by a Holder in writing by close of business on the relevant record date or in any other manner BEN decides. • BEN will not pay Distributions on CN2 to Australian resident investors by cheque. • If you do not provide these account details to the Registry, or if any Distribution paid to you is unsuccessful for any reason (other than an error made by or on behalf of BEN), then BEN will be treated as having paid the amount on the date on which it would otherwise have made the payment, and BEN will send you a notice advising you of the amount of the Distribution and the funds will be held in a bank account as a non-interest bearing deposit until: <ul style="list-style-type: none"> • you nominate an Australian dollar bank account maintained in Australia for crediting with the payment (or you nominate a new bank account as the case may be); • claims may no longer be made in respect of that amount, in which case the monies shall be paid to and be the property of BEN; or • BEN pays the amount in accordance with the law relating to unclaimed monies. • BEN reserves the right to vary the way in which any Distribution is paid in accordance with the Capital Notes 2 Terms (provided that a Distribution must always be paid in cash). 	Clauses 11.1, 11.2, 11.3, 11.4 and 11.5 of the Capital Notes 2 Terms
2.3.6 What is the impact of franking credits?	<ul style="list-style-type: none"> • Distributions are expected to be fully franked and, accordingly, Holders are expected to receive a combination of cash Distributions and franking credits. The franking credits represent a Holder's share of tax paid by BEN on the profits from which the cash Distribution is paid. • If the potential value of the franking credits is taken into account in full, the indicative fully franked Distribution Rate of 5.25% per annum in the example in Section 2.3.2 would be equivalent to an unfranked Distribution Rate of approximately 7.50% per annum. • However, Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution. • Holders should also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder. • If any Distribution payment is not fully franked, then that Distribution will be grossed up according to the formula in clause 2.4 of the Capital Notes 2 Terms. • Holders should refer to the Australian taxation summary in Section 7 and seek professional advice in relation to their tax position. 	Clause 2.4 of the Capital Notes 2 Terms and Section 7
2.3.7 When are the Distribution Payment Dates?	<ul style="list-style-type: none"> • The first Distribution Payment Date is 13 June 2024. • Subsequent Distribution Payment Dates are 13 March, 13 June, 13 September and 13 December each year. • If any of these dates is not a Business Day, then the Distribution Payment Date will be the next Business Day. • You should note that the first Distribution Period is a shorter period of 80 days and other Distribution Periods will otherwise generally be 90 to 92 days. 	Definition of "Distribution Payment Date" in the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.3 Distributions <i>continued</i>		
2.3.8 What are the Distribution Payment Conditions?	<ul style="list-style-type: none"> Distributions may not always be paid. The payment of each Distribution on any Distribution Payment Date is subject to the following Distribution Payment Conditions being satisfied: <ul style="list-style-type: none"> the Directors, in their absolute discretion, resolving to pay the Distribution to Holders; the payment of the Distribution not resulting in a breach of BEN's capital requirements under APRA's Prudential Standards as they are applied to the BEN Level 1 Group or the BEN Level 2 Group or both at the same time of the payment, or of the Corporations Act; the payment of the Distribution not resulting in BEN becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and APRA not otherwise objecting to the Distribution. No Distribution will be paid on Exchange where Exchange occurs due to a Capital Trigger Event or a Non-Viability Trigger Event. 	Clause 2.5 of the Capital Notes 2 Terms
2.3.9 What restrictions apply if a Distribution has not been paid?	<ul style="list-style-type: none"> If, for any reason, a Distribution has not been paid in full on a Distribution Payment Date ("Relevant Distribution Payment Date"), BEN must not, without the approval of a Special Resolution, until and including the next Distribution Payment Date: <ul style="list-style-type: none"> declare, determine to pay or pay a dividend on Ordinary Shares; or return any capital or undertake any buy-backs or repurchases on Ordinary Shares, unless the amount of any unpaid Distribution is paid in full within five Business Days of the Relevant Distribution Payment Date. There are certain exceptions to these Restricted Actions. The Capital Notes 2 Terms contain no events of default and accordingly, failure to pay a Distribution when scheduled will not constitute an event of default. 	Clauses 2.6 and 2.7 of the Capital Notes 2 Terms
2.4 Optional Exchange, Redemption or Resale by BEN		
<p>BEN may (subject to APRA's prior written approval) elect to Exchange, Redeem or Resell Capital Notes 2 on a Call Date, being each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031, or on the occurrence of certain events.</p>		
<p>For any such Exchange, Redemption or Resale to occur, certain conditions and restrictions apply (summarised below) and APRA's prior written approval is required.</p>		
<p>The conditions to Optional Exchange and the associated Exchange calculations are designed to ensure that Holders receive approximately \$101.01 worth of Ordinary Shares for each CN2 they hold, and that Holders receive Ordinary Shares that are capable of being sold on ASX.</p>		
<p>Holders should not expect that the requirements for Exchange, Redemption or Resale will be satisfied or that APRA will give its approval to any Exchange. Holders do not have a right to request Exchange, Redemption or Resale.</p>		
2.4.1 When may BEN choose to Exchange Capital Notes 2?	<ul style="list-style-type: none"> BEN may choose to Exchange: <ul style="list-style-type: none"> all or some CN2 following the occurrence of a Franking Event, Tax Event or a Regulatory Event on the Optional Exchange Date; or all or some CN2 on a Call Date. Upon Optional Exchange, CN2 Holders will receive approximately \$101.01 worth of BEN Ordinary Shares per CN2 based on the VWAP during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) a Call Date. BEN's right to elect to Exchange all or some CN2 is subject to APRA's prior written approval and is restricted in the circumstances described further in Sections 2.4.4, 2.4.5 and 2.4.6. Holders should not expect that APRA will give its approval to any Exchange. Any Exchange of CN2 does not imply or indicate that BEN will in the future exercise any right it may have to exchange any other outstanding regulatory capital instruments issued by BEN. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given). 	Clauses 6.1 and 9.1 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.4 Optional Exchange, Redemption or Resale by BEN <i>continued</i>		
2.4.2 When are the Call Dates?	<ul style="list-style-type: none"> The Call Dates are 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031. 	Definition of “Call Date” in the Capital Notes 2 Terms
2.4.3 What is a Franking Event, Tax Event or Regulatory Event?	<ul style="list-style-type: none"> A summary of these events is as follows: <ul style="list-style-type: none"> a Franking Event will occur if BEN receives an opinion from a reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that, as a result of a Tax Change, any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be able to do so subject to requirements which BEN determines, in its absolute discretion, to be unacceptable); a Tax Event will occur if BEN receives an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters, to the effect that there is a material risk that, as a result of a Tax Change, BEN would be required to pay an increased amount under clause 11.6 of the Capital Notes 2 Terms, or BEN or another member of the BEN Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including through the imposition of any taxes, duties, assessments or other changes) in relation to CN2; and a Regulatory Event will occur if BEN determines that as a result of an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced on or after the Issue Date and which BEN did not expect as at the Issue Date (including any announcement of a prospective amendment, clarification or change which has been or will be introduced): <ul style="list-style-type: none"> having received all approvals they consider in their absolute discretion to be necessary (including from APRA), BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital, except where the reason BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital is because BEN has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by BEN to come into effect; more than de minimis additional requirements would be imposed on BEN or the BEN Group in relation to or in connection with CN2 (which were not expected by BEN at the Issue Date) which BEN determines, in its absolute discretion, to be unacceptable; or to have CN2 outstanding would be unlawful or impractical or that BEN or the BEN Group would be exposed to a more than de minimis increase in its costs in connection with those CN2. A Regulatory Event may occur, for example, as a result of the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024. For details on the APRA Discussion Paper, see Section 5.4.5. 	Clauses 5.2, 5.3 and 5.4 of the Capital Notes 2 Terms
2.4.4 What are the requirements for Exchange?	<ul style="list-style-type: none"> BEN may not elect to Exchange CN2 if, on the second Business Day before the date on which BEN would otherwise send a notice advising Holders that it wishes to Exchange CN2 (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (“Non-Exchange Test Date”), an Optional Exchange Restriction applies. 	Clause 6.4 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.4 Optional Exchange, Redemption or Resale by BEN <i>continued</i>		
2.4.5 What are the Optional Exchange Restrictions?	<ul style="list-style-type: none"> The Optional Exchange Restrictions are: <ul style="list-style-type: none"> First Optional Exchange Restriction: the VWAP on the Non-Exchange Test Date is less than or equal to 22.20% of the Issue Date VWAP; and Second Optional Exchange Restriction: Ordinary Shares have been Delisted as at the Non-Exchange Test Date. 	Clause 6.4 of the Capital Notes 2 Terms
2.4.6 What are the further conditions to Optional Exchange?	<ul style="list-style-type: none"> The further conditions that apply in respect of an Optional Exchange are that the Second Mandatory Exchange Condition (applied as if it referred to 20.20% of the Issue Date VWAP) and the Third Mandatory Exchange Condition must both be satisfied in respect of the Optional Exchange Date as if the Optional Exchange Date were a Mandatory Exchange Date. If the further Exchange conditions are not satisfied, the Optional Exchange Date will be deferred until the first Distribution Payment Date on which the Mandatory Exchange Conditions (applied as if the percentage of the Issue Date VWAP was 22.20% for the First Mandatory Exchange Condition and 20.20% for the Secondary Mandatory Exchange Condition) would be satisfied in accordance with the Capital Notes 2 Terms. 	Clause 6.5 of the Capital Notes 2 Terms
2.4.7 What are the requirements for Redemption or Resale?	<ul style="list-style-type: none"> BEN may choose to Redeem or Resell CN2: <ul style="list-style-type: none"> on 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031; or following the occurrence of a Franking Event, Tax Event or Regulatory Event, provided that APRA's prior written approval is given, and in the case of a Redemption of CN2, APRA is satisfied that either: <ul style="list-style-type: none"> CN2 which are the subject of the Redemption are replaced concurrently or beforehand with a capital instrument of the same or better quality (for the purposes of APRA's Prudential Standards as they are applied to the BEN Group at the relevant time) than CN2 and the replacement of CN2 is done under conditions that are sustainable for the income capacity of BEN; or having regard to the projected capital position of BEN and the BEN Group, BEN does not have to replace CN2, the subject of the Redemption or Resale. 	Clauses 5.1 to 5.5 and 7.1 of the Capital Notes 2 Terms
2.4.8 What is a Redemption?	<ul style="list-style-type: none"> Redemption is a process by which BEN pays the Face Value of a CN2 to a Holder and, upon doing so, all rights conferred, or restrictions imposed, by the CN2 will no longer have effect and the CN2 will be cancelled. 	Clause 5 of the Capital Notes 2 Terms
2.4.9 What will I receive if my Capital Notes 2 are Redeemed?	<ul style="list-style-type: none"> Each Holder will receive the Face Value, being \$100 per CN2 (which is equal to the Issue Price). 	Clause 5.1 of the Capital Notes 2 Terms
2.4.10 What is a Resale?	<ul style="list-style-type: none"> Resale is a process by which BEN may appoint one or more third parties ("Nominated Purchaser(s)") to purchase some or all CN2. If BEN appoints more than one Nominated Purchaser, some or all CN2 may be purchased by any one or any combination of Nominated Purchasers, as determined by BEN, for the Resale Price. 	Clause 8 of the Capital Notes 2 Terms
2.4.11 What will I receive if my Capital Notes 2 are Resold?	<ul style="list-style-type: none"> Each Holder will receive the Resale Price, being \$100 per CN2. The Resale Price is equal to the Issue Price. 	Clauses 7.1 and 8.4 of, and the definition of "Resale Price" in, the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
<h3>2.4 Optional Exchange, Redemption or Resale by BEN <i>continued</i></h3>		
2.4.12 Are there any restrictions on the identity of the Nominated Purchaser(s) that BEN can appoint?	<ul style="list-style-type: none"> BEN must appoint a Nominated Purchaser on such terms as it may agree with the Nominated Purchaser, including as to the conditions of any Resale, the procedures for settlement of such Resale, the substitution of a Nominated Purchaser (not being BEN or a Related Body Corporate of BEN) and the terms on which any CN2 acquired by the Nominated Purchaser may be Redeemed, Exchanged or otherwise dealt with. To the extent that such terms may affect the eligibility of CN2 as Additional Tier 1 Capital for BEN, such terms are subject to the prior written approval of APRA. BEN may appoint any one or more third parties selected by BEN in its absolute discretion as the Nominated Purchaser, provided that such party cannot be BEN or any Related Body Corporate of BEN. 	Clause 8.2 of, and definition of “Nominated Purchaser” in, the Capital Notes 2 Terms
2.4.13 What if a Nominated Purchaser does not pay the Resale Price?	<ul style="list-style-type: none"> If a Nominated Purchaser does not pay the Resale Price to Holders on the Resale Date when the Resale Price is due, the Resale to that Nominated Purchaser will not occur and Holders will continue to hold CN2 in accordance with the Capital Notes 2 Terms until CN2 are otherwise Exchanged, Redeemed or Resold. 	Clause 8.5 of the Capital Notes 2 Terms
2.4.14 Can Holders request Exchange, Redemption or Resale?	<ul style="list-style-type: none"> Holders do not have a right to request Exchange, Redemption or Resale at any time. 	Clauses 4.8, 5.7 and 7.5 of the Capital Notes 2 Terms

2.5 Mandatory Exchange on the Mandatory Exchange Date

BEN must Exchange any Capital Notes 2 outstanding on 13 September 2033 into Ordinary Shares, provided that certain conditions (summarised below) are met (and failing that, on the next Distribution Payment Date on which those conditions are met). Those conditions may never be satisfied and accordingly Capital Notes 2 may never be Exchanged for Ordinary Shares, except as a result of a Capital Trigger Event or a Non-Viability Trigger Event.

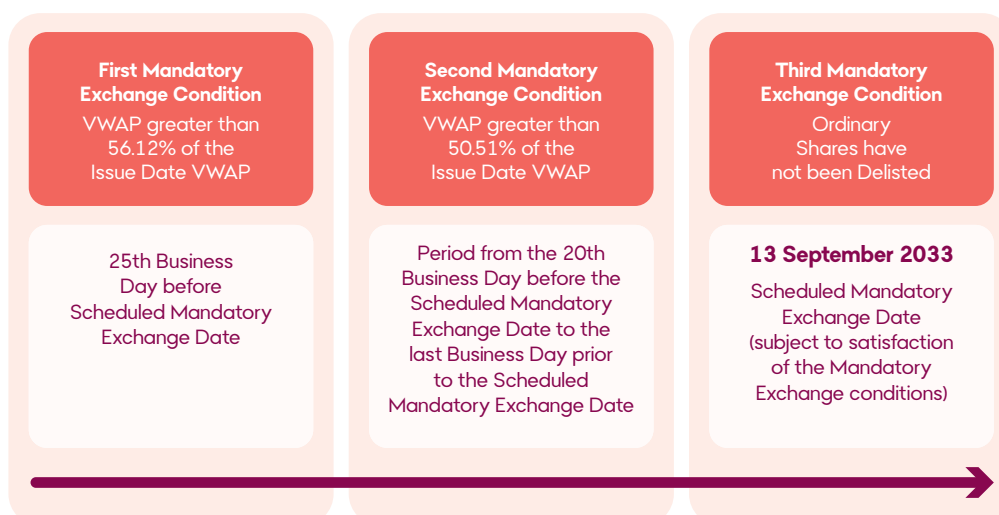
The conditions to Mandatory Exchange and the associated Exchange calculations (as set out below) are designed to ensure that Holders receive approximately \$101.01 worth of Ordinary Shares for each Capital Note 2 that they hold, and that the Ordinary Shares they receive following the Exchange are capable of being sold on ASX.

2.5.1 What is Mandatory Exchange?	<ul style="list-style-type: none"> Holders will receive Ordinary Shares on Exchange of CN2 on the Mandatory Exchange Date unless the Mandatory Exchange Conditions are not satisfied or CN2 have otherwise been Exchanged¹, Redeemed or Resold. Upon Exchange on a Mandatory Exchange Date, Holders will receive a variable number of Ordinary Shares with a value of approximately \$101.01 per CN2 (based on the VWAP during the period of 20 Business Days on which trading took place immediately preceding (but not including) the Mandatory Exchange Date). The VWAP that is used to calculate the number of Ordinary Shares that Holders receive may differ from the market price of Ordinary Shares on or after the Mandatory Exchange Date. This means that the value of Ordinary Shares received may be more or less than approximately \$101.01 when they are issued or at any time after that. 	Clauses 3.1, 3.2 and 9.1 of the Capital Notes 2 Terms
2.5.2 What are the consequences of Mandatory Exchange?	<ul style="list-style-type: none"> As a result of any Exchange of CN2 to Ordinary Shares, Holders will become holders of Ordinary Shares in the capital of BEN, which will rank equally with existing Ordinary Shares from the date of issue. The value of any holding of Ordinary Shares may fluctuate from time to time. 	Clause 9.9 of the Capital Notes 2 Terms

1. This includes an Exchange or Write-Off required by APRA following the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event.

2 About Capital Notes 2

Topic	Summary	Further information
2.5 Mandatory Exchange on the Mandatory Exchange Date <i>continued</i>		
2.5.3 When is the Mandatory Exchange Date?	<ul style="list-style-type: none"> The Mandatory Exchange Date will be 13 September 2033, provided the Mandatory Exchange Conditions are satisfied on that date. If any of the Mandatory Exchange Conditions are not satisfied on that date, then the Mandatory Exchange Date will be the next Distribution Payment Date on which they are satisfied. 	Clauses 3.1 and 3.2 of the Capital Notes 2 Terms
2.5.4 What is the purpose of the Mandatory Exchange Conditions?	<ul style="list-style-type: none"> The First Mandatory Exchange Condition and the Second Mandatory Exchange Condition are intended to provide protection to Holders against receiving less than approximately \$101.01 worth of Ordinary Shares per CN2 on Exchange (based on the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date). The Third Mandatory Exchange Condition is intended to provide protection for Holders by making Exchange conditional on Holders receiving Ordinary Shares which are capable of being sold on ASX. 	
2.5.5 What are the Mandatory Exchange Conditions?	<ul style="list-style-type: none"> The Mandatory Exchange Conditions are as follows: <ul style="list-style-type: none"> First Mandatory Exchange Condition: the VWAP on the 25th Business Day on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) is greater than 56.12% of the Issue Date VWAP; Second Mandatory Exchange Condition: the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date is greater than 50.51% of the Issue Date VWAP; and Third Mandatory Exchange Condition: Ordinary Shares have not been Delisted as at the Mandatory Exchange Date. Exchange on a Mandatory Exchange Date cannot occur unless all three Mandatory Exchange Conditions are satisfied. The 'Issue Date VWAP' means, broadly, the VWAP of Ordinary Shares during the period of 20 Business Days on which trading in Ordinary Shares took place immediately prior to (but not including) the Issue Date. The following diagram sets out the timeframes that are relevant for testing whether Exchange will occur, using the Scheduled Mandatory Exchange Date (13 September 2033). 	Clauses 3.1 and 3.2 of the Capital Notes 2 Terms



2 About Capital Notes 2

Topic	Summary	Further information
2.5	Mandatory Exchange on the Mandatory Exchange Date <i>continued</i>	
2.5.6 How many Ordinary Shares will a Holder receive on the Mandatory Exchange Date?	<ul style="list-style-type: none"> A Holder will receive on a Mandatory Exchange Date a number of Ordinary Shares per CN2 ("Exchange Number") equal to the lesser of the Maximum Exchange Number and the number calculated in accordance with the following formula: $\text{Exchange Number} = \frac{\text{Face Value}}{99\% \times \text{VWAP}}$ <p>where:</p> <ul style="list-style-type: none"> VWAP is, broadly, the volume weighted average price of Ordinary Shares during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) a possible Mandatory Exchange Date. <p>Illustrative example of Exchange</p> <p>As an example, in the case of the Scheduled Mandatory Exchange on 13 September 2033 and assuming the Issue Date VWAP was \$9.70, whether the Mandatory Exchange Conditions are satisfied and the number of Ordinary Shares received on Exchange would be determined as follows:</p> <p>Step 1 – Passing the Mandatory Exchange Conditions</p> <p>The First Mandatory Exchange Condition</p> <ul style="list-style-type: none"> This condition requires that the VWAP on the 25th Business Day immediately preceding, but not including, 13 September 2033 (assuming there is trading in Ordinary Shares on that day) is greater than 56.12% of the Issue Date VWAP, which would be \$5.44 (being 56.12% of \$9.70). Assume the VWAP on 9 August 2033 (being the 25th Business Day immediately preceding, but not including, 13 September 2033) is \$7.00. Since the VWAP on 9 August 2033 (\$7.00) is greater than \$5.44, the First Mandatory Exchange Condition is satisfied. <p>The Second Mandatory Exchange Condition</p> <ul style="list-style-type: none"> This condition requires that the VWAP during the period of 20 Business Days in which trading in Ordinary Shares took place immediately preceding, but not including, 13 September 2033 is greater than 50.51% of the Issue Date VWAP, which would be \$4.90 (being 50.51% of \$9.70). Assume the VWAP during the period from 16 August 2033 to 12 September 2033 (being the 20 Business Days in which trading in Ordinary Shares took place immediately preceding, but not including, 13 September 2033) is \$7.00. Since the VWAP from 16 August 2033 to 12 September 2033 (\$7.00) is greater than \$4.90, the Second Mandatory Exchange Condition is satisfied. <p>The Third Mandatory Exchange Condition</p> <ul style="list-style-type: none"> This condition requires that Ordinary Shares have not been Delisted. Assume on 13 September 2033, BEN is listed and its Ordinary Shares are quoted on ASX, and trading in its Ordinary Shares has not been suspended on that Exchange Date. In these circumstances, the Third Mandatory Exchange Condition is satisfied. 	Clauses 3.1, 3.2 and 9.1 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.5 Mandatory Exchange on the Mandatory Exchange Date <i>continued</i>	<p>Step 2 – Calculating the number of Ordinary Shares received on Exchange</p> <p>On 13 September 2033, Holders would be entitled to receive, in respect of each CN2, the Exchange Number of Ordinary Shares determined as follows:</p> $\text{Exchange Number} = \frac{\text{Face Value}}{99\% \times \text{VWAP}}$ <ul style="list-style-type: none"> Assume the VWAP from 16 August 2033 to 12 September 2033 (being the 20 Business Days on which trading in Ordinary Shares took place immediately preceding 13 September 2033) is \$7.00. The Face Value (assuming the Initial Face Value applies) is \$100. The Exchange Number would be 14.4300 (being \$100 divided by (99% × \$7.00)). Assuming a Holder has 100 CN2, the total number of Ordinary Shares to which they would be entitled would be 1,443 (i.e. 100 × 14.4300, which is rounded down to disregard the fraction of the Ordinary Share). <p>In this example, the Exchange Number will not be impacted by the Maximum Exchange Number.</p> <ul style="list-style-type: none"> The Maximum Exchange Number is calculated in accordance with the following formula: $\text{Maximum Exchange Number} = \frac{\text{Face Value}}{(\text{Relevant Percentage} \times \text{Issue Date VWAP})}$ <p>Where the Relevant Percentage is:</p> <ul style="list-style-type: none"> 0.50 if Exchange occurs on a Mandatory Exchange Date and; 0.20 in any other case. <ul style="list-style-type: none"> If the Issue Date VWAP is \$9.70, the Maximum Exchange Number on the Mandatory Exchange Date will be 20.6186 (being \$100 divided by (\$9.70 × 50%)). As the Exchange Number is less than the Maximum Exchange Number, there will be no restriction on the number of Ordinary Shares a Holder receives. <p>This example is for illustrative purposes only. The figures in it are not forward-looking statements and do not indicate, guarantee or forecast the Issue Date VWAP or future VWAP or other price of Ordinary Shares.</p>	Clauses 3.1, 3.2 and 9.1 of the Capital Notes 2 Terms
2.5.7 What adjustments to the Issue Date VWAP are made to account for changes to BEN's Ordinary Share capital?	<ul style="list-style-type: none"> The Issue Date VWAP, and consequently the Maximum Exchange Number, will be adjusted to reflect a division, reconstruction, consolidation or reclassification of Ordinary Shares and pro rata bonus issues as set out in the Capital Notes 2 Terms (but not other transactions, including rights issues, which may affect the capital of BEN). However, no adjustment will be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than 1% of the Issue Date VWAP then in effect. 	Clauses 9.4 to 9.8 (inclusive) of the Capital Notes 2 Terms
2.5.8 What can happen if the Mandatory Exchange Conditions are not satisfied?	<ul style="list-style-type: none"> If any of the Mandatory Exchange Conditions are not satisfied on 13 September 2033, CN2 will continue to be on issue and Exchange will be deferred until the first Distribution Payment Date after 13 September 2033 on which all of the Mandatory Exchange Conditions are satisfied. 	Clause 3.1 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.6 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event	<p>Capital Notes 2 have certain loss absorption features, which may be triggered where the BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio falls below the percentage ratios prescribed by APRA from time to time (i.e. a Capital Trigger Event) or where APRA considers that without Exchange or Write-Off, or a public sector injection of capital into (or equivalent support with respect to) BEN, BEN would become non-viable (i.e. a Non-Viability Trigger Event).</p> <p>These features are required to be included in the Capital Notes 2 Terms for prudential regulatory purposes. If a Capital Trigger Event or a Non-Viability Trigger Event occurs, all or some Capital Notes 2 and other Relevant Securities will need to be immediately Exchanged for Ordinary Shares and if such Exchange has not been effected within five Business Days after the Capital Trigger Event or Non-Viability Trigger Event, the Capital Notes 2 which should have been Exchanged will be Written Off with effect on and from the Capital Trigger Event or Non-Viability Trigger Event. This means that the Capital Notes 2 will never be Exchanged and all rights (including to payment of the Face Value and Distributions, the right to receive Ordinary Shares and any amount in a winding-up of BEN) will be terminated with effect on and from the Capital Trigger Event or Non-Viability Trigger Event, in which case the Holder's investment will lose all of its value, and the Holder will not have the Face Value repaid, will not receive any compensation and is likely to be worse off than holders of Ordinary Shares. No conditions need to be satisfied for such an Exchange or Write-Off to occur.</p> <p>Depending on the market price of Ordinary Shares at the time the Capital Trigger Event or the Non-Viability Trigger Event occurs, Holders may receive less, or significantly less, than \$101.01 worth of Ordinary Shares per Capital Note 2 and a Holder may suffer loss as a consequence.</p> <p>The following calculations are illustrative only and designed to demonstrate the potential number and value of Ordinary Shares that a Holder would receive on an Exchange where there is a Capital Trigger Event or a Non-Viability Trigger Event.</p>	
2.6.1 Why do Capital Notes 2 include a Capital Trigger Event and a Non-Viability Trigger Event?	<ul style="list-style-type: none"> The inclusion of a Capital Trigger Event and a Non-Viability Trigger Event is an APRA regulatory requirement for CN2 to be characterised as Additional Tier 1 Capital under APRA's Basel III Prudential Standards. 	
2.6.2 What is a Capital Trigger Event?	<ul style="list-style-type: none"> A Capital Trigger Event occurs when BEN determines, or APRA notifies BEN in writing that it believes, that either or both of the BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%. The Common Equity Tier 1 Capital Ratio is the ratio of Common Equity Tier 1 Capital to the risk weighted assets of BEN and the BEN Group, as prescribed by APRA. Common Equity Tier 1 Capital comprises the highest quality components of capital. BEN's Common Equity Tier 1 Capital Ratio of 11.23% as at 31 December 2023 is well above the Capital Trigger Event level Common Equity Tier 1 Capital Ratio of 5.125% on a Level 1 and Level 2 basis. A Common Equity Tier 1 Capital Ratio of 11.23% would imply \$2,341 million of Common Equity Tier 1 Capital above the Capital Trigger Event Common Equity Tier 1 Capital Ratio level of 5.125% as at 31 December 2023. 	Clause 4.1 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
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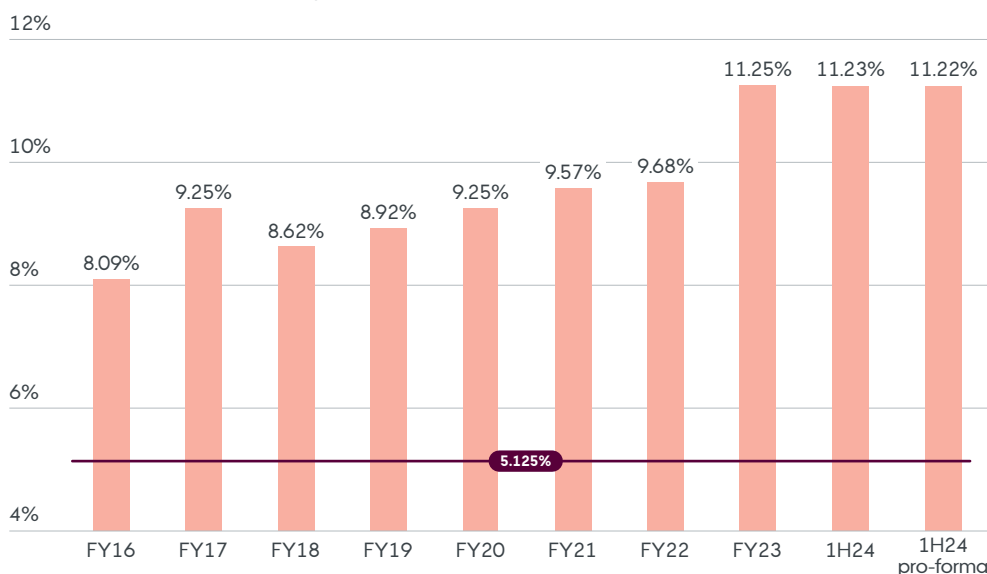
2.6 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event *continued*

2.6.2 What is a Capital Trigger Event? *continued*

- The graph below illustrates BEN's historical Common Equity Tier 1 Capital Ratio under APRA's relevant Prudential Standards. See Section 5.4.7 for further details.

Clause 4.1 of the Capital Notes 2 Terms

BEN's Level 2 Common Equity Tier 1 Capital Ratio



BEN gives no assurance as to what its Common Equity Tier 1 Capital Ratio will be at any time as it may be significantly impacted by unexpected events affecting its business, operations and financial condition.

2.6.3 What is a Non-Viability Trigger Event?

- A Non-Viability Trigger Event occurs when APRA notifies BEN in writing that it considers:
 - Exchange of all or some CN2, or exchange, conversion or write-off of other capital instruments of the BEN Group is necessary because, without it, BEN would become non-viable; or
 - without a public sector injection of capital, or equivalent support, BEN would become non-viable.

Clause 4.2 of the Capital Notes 2 Terms

2.6.4 What does non-viable mean?

- APRA has not provided specific guidance as to how it would determine non-viability. However, in the context of regulatory capital instruments issued by ADIs, APRA has indicated non-viability is likely to arise prior to the insolvency of an ADI.
- Non-viability could be expected to include serious impairment of BEN's financial position or insolvency. However it is possible that APRA's definition of non-viable may not necessarily be confined to solvency or capital measures and APRA's position on these matters may change over time.
- As the occurrence of a Non-Viability Trigger Event is at the discretion of APRA, there can be no assurance given as to the factors and circumstances that might give rise to this event.
- APRA may publish further guidance on the parameters used to determine non-viability. However it is possible that it will not provide any further guidance and BEN has no control over whether it will do so.

Section 6.1.15.2

2 About Capital Notes 2

Topic	Summary	Further information
2.6 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event <i>continued</i>		
2.6.5 When does Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event occur?	<ul style="list-style-type: none"> • If a Capital Trigger Event or a Non-Viability Trigger Event occurs, BEN must immediately Exchange: <ul style="list-style-type: none"> • in the case of a Non-Viability Trigger Event where APRA deems a public sector injection of funds, or equivalent support, to be necessary, all (and not only some) CN2; • in the case of any other Non-Viability Trigger Event, such number of CN2 (or a percentage of the Face Value of each CN2) as specified by APRA or necessary to satisfy APRA that BEN will no longer be non-viable; or • in the case of a Capital Trigger Event, such number of CN2 (or, if it so determines, such percentage of the Face Value of each CN2) to return either or both of the BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio, as the case may be, to above 5.125%. • If a Capital Trigger Event or a Non-Viability Trigger Event occurs, BEN must also exchange or write-off Relevant Securities in accordance with their respective terms. • As at the date of this Prospectus, there are two capital instruments of BEN within the definition of Relevant Securities, being CPS4 and Capital Notes. BEN has 3,216,145 CPS4 on issue and 5,024,446 Capital Notes on issue, each at an issue price of \$100 per respective security. Following the Reinvestment Offer, it is expected that the number of CPS4 on issue will be significantly reduced. BEN has no obligation to maintain any Relevant Securities and gives no assurance that it will do so. • As part of managing its ongoing capital management initiatives, and with APRA's prior approval, BEN intends to resell and then redeem (in the hands of the CPS4 Nominated Purchaser) all Participating CPS4 under the Reinvestment Offer. BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. • Exchange on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event is not subject to any Mandatory Exchange Condition being satisfied. • Exchange is immediate and, from the Capital Trigger Event or the Non-Viability Trigger Event, BEN will treat Holders as having been issued the Exchange Number of Ordinary Shares. BEN expects any ASX trades in CN2 that have not settled on the date a Capital Trigger Event or a Non-Viability Trigger Event occurs will continue to settle in accordance with the normal ASX settlement rules, although BEN expects the seller will be treated as having delivered, and the buyer will be treated as having acquired, the Exchange Number of Ordinary Shares into which CN2 have been Exchanged as a result of the occurrence of the Capital Trigger Event or the Non-Viability Trigger Event. • Further, BEN may make such decisions with respect to the identity of Holders whose CN2 will be Exchanged as at the Capital Trigger Event or the Non-Viability Trigger Event as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of CN2 that have not been settled or registered at that time and date, provided that any such decision does not prevent, impede or delay the immediate Exchange of the relevant number of CN2. • BEN must give Holders notice as soon as practicable after a Capital Trigger Event or a Non-Viability Trigger Event has occurred, including details of the number of CN2 Exchanged. <p>For the meaning of Relevant Security please see the Appendix B Glossary.</p>	Clauses 4.1 to 4.6 (inclusive) of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
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2.6 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event *continued*

2.6.6 How many Ordinary Shares will Holders receive on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event?

- The number of Ordinary Shares a Holder will receive per CN2 on account of a Capital Trigger Event or a Non-Viability Trigger Event is the Exchange Number (calculated as described below) but cannot be more than the Maximum Exchange Number. Since there are no conditions to an Exchange following the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event, the number of Ordinary Shares a Holder is likely to receive on account of a Capital Trigger Event or a Non-Viability Trigger Event may be worth significantly less than approximately \$101.01 and a Holder may suffer a loss as a consequence.
- The Exchange Number in the event of a Capital Trigger Event or a Non-Viability Trigger Event is the lesser of the Maximum Exchange Number and the number calculated in accordance with the following formula:

$$\text{Exchange Number} = \frac{\text{Face Value}}{99\% \times \text{VWAP}}$$

where:

- VWAP** is, broadly, the volume weighted average price of Ordinary Shares during the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the date on which the Capital Trigger Event or the Non-Viability Trigger Event (as applicable) occurred.

The Maximum Exchange Number is calculated as:

$$\text{Maximum Exchange Number} = \frac{\text{Face Value}}{(\text{Relevant Percentage} \times \text{Issue Date VWAP})}$$

where:

- Relevant Percentage is 0.20

Illustrative example of Exchange

Step 1 – Calculating the potential number of Ordinary Shares to be received on Exchange

Assume that on 25 March 2032, a Capital Trigger Event or a Non-Viability Trigger Event occurs. Holders would be entitled to receive, in respect of each CN2 being Exchanged, the Exchange Number of Ordinary Shares determined as follows:

$$\text{Exchange Number} = \frac{\text{Face Value}}{99\% \times \text{VWAP}}$$

- Assume the VWAP from 18 March 2032 to 24 March 2032 (being the five Business Days on which trading in Ordinary Shares took place immediately preceding 25 March 2032) is \$0.50.
- The Face Value (assuming the Initial Face Value applies) is \$100.
- The Exchange Number would be 202.0202 (being \$100 divided by (99% × \$0.50)).
- Assuming a Holder has 100 CN2, the total number of Ordinary Shares to which they would be entitled would be 20,202 (i.e. 100 × 202.0202, which is rounded down to disregard the fraction of the Ordinary Share).

Clauses 4.1, 4.2, 4.3 and 9.1 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.6 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event <i>continued</i>		
2.6.6 How many Ordinary Shares will Holders receive on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event? <i>continued</i>	<p>Step 2 – Calculating the maximum number of Ordinary Shares to be received on Exchange</p> <p>The Maximum Exchange Number is determined as:</p> $\text{Maximum Exchange Number} = \frac{\text{Face Value}}{(\text{Relevant Percentage} \times \text{Issue Date VWAP})}$ <p>On the basis of the assumptions made in Step 1 above, and an Issue Date VWAP of \$9.70, the Maximum Exchange Number would be 51.5464 (being \$100 divided by (\$9.70 × 20%)).</p> <p>Step 3 – Calculate the number of Ordinary Shares to be received</p> <p>Since the Exchange Number of 202.0202 is greater than the Maximum Exchange Number of 51.5464 the number of Ordinary Shares which the holder of 100 CN2 would receive would be 5,154.</p> <p>The market value of the Ordinary Shares received (based on the VWAP assumed in this example) is \$2,577 which is considerably less than \$10,000 (which is the 100 CN2 at the Initial Face Value of \$100 each).¹</p> <ul style="list-style-type: none"> • The Maximum Exchange Number is described in Section 2.5.6 (as that number may be adjusted as described in Section 2.5.7). • Additionally, if on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event, only some (rather than all) CN2 and other Relevant Securities are required to be converted, BEN must endeavour to treat Holders and holders of other Relevant Securities on an approximately proportionate basis, but may discriminate to take account of the effect on marketable parcels, other logistical considerations and the need to effect Exchange immediately. 	Clauses 4.1, 4.2, 4.3 and 9.1 of the Capital Notes 2 Terms
2.6.7 What happens if Capital Notes 2 cannot be Exchanged on a Capital Trigger Event or a Non-Viability Trigger Event?	<ul style="list-style-type: none"> • If, following a Capital Trigger Event or a Non-Viability Trigger Event, Exchange of CN2 has not been effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event for any reason, those CN2 will not be Exchanged but instead the Holder's rights (including to payment of the Face Value and Distributions, and the right to receive Ordinary Shares) in relation to such CN2 (or a percentage of the Face Value of each CN2) are immediately and irrevocably terminated with effect on and from the date of the occurrence of the Capital Trigger Event or the Non-Viability Trigger Event ("Written Off"). • If your CN2 are Written Off, your investment in the relevant CN2 will lose all of its value and you will not receive any compensation. In these circumstances, CN2 will have no ranking in a winding up and Holders are likely to be worse off than holders of Ordinary Shares. This could occur if BEN is prevented from issuing Ordinary Shares by circumstances outside its control, for example, if BEN is prevented by a specified law or order of any court, or action of any government authority, from issuing Ordinary Shares. 	Clause 4.6 of the Capital Notes 2 Terms

1. The price at which Ordinary Shares may be sold may differ from the VWAP. The Ordinary Shares may not be listed or may not be able to be sold at prices representing their value based on the VWAP calculation or at all.

2 About Capital Notes 2

Topic	Summary	Further information
<h3>2.7 Exchange on a Change of Control Event</h3>		
<p>BEN is also required to Exchange all (and not only some) Capital Notes 2 into Ordinary Shares where BEN is taken over by way of a takeover bid or scheme of arrangement that meets certain requirements (which are described below).</p>		
<p>There are conditions to Exchange in these circumstances which are designed to ensure that Holders receive no less than approximately \$101.01 worth of Ordinary Shares for each Capital Note 2 they hold, and that Holders receive Ordinary Shares that are capable of being sold on ASX.</p>		
<p>These conditions may never be satisfied and accordingly Capital Notes 2 may never be Exchanged for Ordinary Shares.</p>		
<p>2.7.1 What is a Change of Control Event?</p>	<ul style="list-style-type: none"> • A Change of Control Event occurs when: <ul style="list-style-type: none"> • a takeover bid is made for Ordinary Shares: <ul style="list-style-type: none"> • acceptance of which is recommended by the Board and which is or has become unconditional; or • which is or has become unconditional and the voting power of the offeror in BEN is or has become greater than 50%; or • in respect of a scheme of arrangement under Part 5.1 of the Corporations Act which would result (if implemented) in a person having voting power in more than 50% of BEN, the earlier of the following: <ul style="list-style-type: none"> • a court approves the scheme; and • the Board determines such event should be treated as a Change of Control Event for the purposes of clause 4.7 of the Capital Notes 2 Terms. • A Change of Control Event will not occur in connection with a scheme of arrangement which would result in a NOHC Event – see Sections 2.9.5 and 2.9.6. 	<p>Clause 4.7 of the Capital Notes 2 Terms</p>
<p>2.7.2 What must BEN do on the occurrence of a Change of Control Event?</p>	<ul style="list-style-type: none"> • If a Change of Control Event occurs, BEN must Exchange each CN2 into the number of Ordinary Shares with a value of approximately \$101.01 (based on the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding the date on which Exchange is to occur) (the “Change of Control Exchange Date”), provided certain conditions are satisfied. • If certain requirements for Exchange to occur (described in Section 2.7.3 below) have not been satisfied, BEN will notify Holders as soon as practicable after the proposed Exchange Date that Exchange did not occur and BEN will not be required to Exchange CN2 at that time. However, BEN must Exchange CN2 on the next Distribution Payment Date in respect of which the conditions to Exchange are satisfied. 	<p>Clause 4.7 of the Capital Notes 2 Terms</p>
<p>2.7.3 What are the Exchange restrictions on the Change of Control Exchange Date?</p>	<ul style="list-style-type: none"> • On the occurrence of a Change of Control Event, BEN may not proceed to Exchange CN2 if, on the Change of Control Exchange Date, certain conditions are not met. • These conditions are the Second Mandatory Exchange Condition (as amended such that the VWAP of Ordinary Shares during the period of 20 Business Days before (but not including) the proposed Change of Control Exchange Date is greater than 20.20% of the Issue Date VWAP) and the Third Mandatory Exchange Condition, as though the Change of Control Exchange Date were a possible Mandatory Exchange Date. 	<p>Clauses 3.2 and 4.7 of the Capital Notes 2 Terms</p>
<p>2.7.4 What happens if Exchange does not occur?</p>	<ul style="list-style-type: none"> • If the Exchange restrictions prevent Exchange, BEN will notify Holders as soon as practicable after the Change of Control Exchange Date that Exchange did not occur. • CN2 must Exchange on the next Distribution Date on which the Second Mandatory Exchange Condition (as modified – see Section 2.7.3 above) and the Third Mandatory Exchange Condition are satisfied. 	<p>Clause 4.7 of the Capital Notes 2 Terms</p>

2 About Capital Notes 2

Topic	Summary	Further information
2.8 Set-off against other amount owed		
2.8.1 Do Holders have a right of set-off?	<ul style="list-style-type: none"> BEN has no right to set-off any amounts owing by it to a Holder in respect of CN2 against any claims owing by the Holder to it or to any member of the BEN Group. No Holder has any right to set-off any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce the amount payable by BEN in respect of CN2 to the Holder. No Holder has any rights of set-off or claims against BEN or any member of the BEN Group if BEN does not pay a Distribution when scheduled under the Capital Notes 2 Terms. 	Clause 1.6 of the Capital Notes 2 Terms
2.9 Other		
2.9.1 How do Capital Notes 2 rank in relation to other BEN instruments?	<ul style="list-style-type: none"> In a winding-up of BEN, CN2 rank for payment of \$100 (plus the amount of any Distribution resolved to be paid but unpaid) ahead of Ordinary Shares, equally and without preference with other CN2, equally with Equal Ranking Securities, but behind the claims of all creditors of BEN, including depositors, other than creditors who are expressed to rank equally with CN2 in a winding-up. However, any return in a winding-up may be adversely affected if a Capital Trigger Event or a Non-Viability Trigger Event occurs because if that occurs all or some CN2 will be required to be Exchanged or Written Off (see Section 2.6 – Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event). For the payment of Distributions, CN2 rank ahead of Ordinary Shares, equally and without preference among CN2 and equally with all Equal Ranking Securities that BEN has or may issue that by their terms rank equally with respect to priority of payment in a winding up of BEN. 	Clauses 1.5 and 14.7 of the Capital Notes 2 Terms
2.9.2 Can BEN issue further capital notes, preference shares or other instruments?	<ul style="list-style-type: none"> BEN reserves the right to, and nothing in the Capital Notes 2 Terms limits the ability of BEN or any other member of the BEN Group to: <ul style="list-style-type: none"> allot or issue notes, shares or other securities of any kind, whether ranking equally with, in priority to or junior to or having different rights from, CN2; redeem, convert, buy back, return or distribute capital in respect of any share capital or any other securities of any kind, whether ranking equally with, in priority to or junior to or having different rights from, CN2; or incur or guarantee any indebtedness upon such terms as BEN or any other member of the BEN Group thinks fit in its sole discretion. 	Clause 1.9 of the Capital Notes 2 Terms
2.9.3 What voting rights do Capital Notes 2 carry?	<ul style="list-style-type: none"> Holders generally do not have voting rights, except in the limited circumstances described in the Capital Notes 2 Terms, including matters affecting their interests including certain variations to the Capital Notes 2 Terms which require the Holders' consent. A CN2 does not entitle its Holder to attend or vote at a general meeting of BEN. Holders may not exercise voting rights as a creditor in respect of CN2 in a winding up of BEN. 	Clauses 1.5, 1.8 and 14.2 of the Capital Notes 2 Terms
2.9.4 Can BEN amend the Capital Notes 2 Terms?	<ul style="list-style-type: none"> Subject to complying with all applicable laws, and with APRA's prior written approval where required, BEN may amend the Capital Notes 2 Terms and the Deed Poll without the approval of Holders in certain circumstances. This may include amendments which may affect the rights of Holders, including if the amendment is of a formal, technical or minor nature, to correct an error, to enable the listing of CN2, to comply with relevant laws, to amend any date or time period in connection with any Exchange, Resale or Redemption, to enable the substitution of a NOHC providing certain substitution conditions are satisfied or if, in BEN's opinion, they are not likely to be materially prejudicial to the interests of Holders as a whole. BEN may also amend the terms in circumstances where the Market Rate ceases to be available (i.e. a Market Rate Disruption Event occurs) and replace the Market Rate with an Alternative Market Rate that BEN considers appropriate (in some cases subject to APRA's prior written approval), acting in good faith and in a commercially reasonable manner, and make certain other consequential amendments to the Capital Notes 2 Terms. Holders should note that APRA's approval may not be given for any Alternative Market Rate it considers to have the effect of increasing the Distribution Rate contrary to Prudential Standards. 	Clause 14.3 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.9 Other <i>continued</i>		
2.9.4 Can BEN amend the Capital Notes 2 Terms? <i>continued</i>	<ul style="list-style-type: none"> • BEN may also, with APRA's prior written approval where required, amend the Capital Notes 2 Terms or the Deed Poll if the amendment has been approved by a Special Resolution. • APRA's prior written approval to amend the Capital Notes 2 Terms or the Deed Poll is required only where the amendment may affect the eligibility of CN2 as a Relevant Security. 	Clause 14.3 of the Capital Notes 2 Terms
2.9.5 What is a NOHC Event?	<ul style="list-style-type: none"> • A NOHC Event is broadly an event initiated by the Directors which would result in BEN having an ultimate holding company which is an 'authorised NOHC' (NOHC being short for 'non-operating holding company') within the meaning of the Banking Act ("NOHC"). 	Clause 13 of, and definition of "NOHC Event" in, the Capital Notes 2 Terms
2.9.6 What happens when a NOHC Event occurs?	<ul style="list-style-type: none"> • If a NOHC Event occurs, BEN may, without the consent of Holders but subject to APRA approval and provided that certain conditions (as set out in the Capital Notes 2 Terms) are satisfied, by giving notice to the ASX and the Holders, substitute for itself a NOHC as the debtor in respect of CN2 and as the issuer of Ordinary Shares on Exchange ("Full Successor"), or alternatively, BEN may substitute for itself a NOHC as the issuer of Ordinary Shares on Exchange only ("Partial Successor"). • Any substitution is subject to the NOHC expressly assuming the relevant obligations of BEN under CN2 (including, in the case of a Full Successor, the restrictions on paying Distributions and dividends on Ordinary Shares (with appropriate modifications)) and satisfying certain other conditions, including agreeing to use all reasonable endeavours to procure the quotation of the ordinary shares of the NOHC on the relevant securities exchange. • The occurrence of a NOHC Event does not allow BEN to elect to Exchange CN2 nor does it entitle Holders to Exchange their CN2. • After substituting NOHC as issuer of the Ordinary Shares on Exchange, but before Exchange, Holders continue to hold CN2. The NOHC will be required to deliver its own ordinary shares in all circumstances when BEN would otherwise have been required to deliver Ordinary Shares (including on Exchange) and to use reasonable endeavours to procure the quotation of those ordinary shares on the relevant securities exchange. 	Clause 13 of the Capital Notes 2 Terms
2.9.7 What if a Holder is not a resident in Australia?	<ul style="list-style-type: none"> • If the Holder is an Ineligible Holder and that Ineligible Holder's CN2 are to be Exchanged, then, on the Exchange Date, the Holder's rights (including to payment of Distributions) in relation to each such CN2 being Exchanged will be immediately and irrevocably terminated and BEN will issue the Exchange Number of Ordinary Shares to a Nominee for no additional consideration to hold on trust for sale for the benefit of the relevant Holder (unless, because the Holder is an Ineligible Holder, the Nominee is or would be deemed to be an Ineligible Holder, in which case such issue shall occur as soon as practicable after the Nominee ceases to be or would not be (as the case may be) an Ineligible Holder). • A Holder may also elect not to receive Ordinary Shares on Exchange in which case those shares will be issued to a Nominee. • At the first opportunity to sell the Ordinary Shares, the Nominee will arrange for their sale and pay the proceeds less selling costs and any withholding or deduction required or permitted pursuant to clause 11.6 of the Capital Notes 2 Terms all to the relevant Holder subject to and in accordance with the provisions of the Deed Poll. • Neither BEN nor any Nominee owes any duty in relation to the price at which the Ordinary Shares are sold or has any liability for any loss suffered as a result of such sale. 	Clause 9.10 of the Capital Notes 2 Terms

2 About Capital Notes 2

Topic	Summary	Further information
2.9 Other <i>continued</i>		
2.9.8 What is the Deed Poll?	<ul style="list-style-type: none"> A trustee has not been appointed for CN2. Instead, BEN has made the Deed Poll in favour of each person who is from time to time a Holder. The Deed Poll gives legal effect to BEN's obligations in the Capital Notes 2 Terms. Under the Deed Poll, BEN also undertakes to appoint the Registry and procure the Registry to establish and maintain a principal Register. The Deed Poll also includes provisions for meetings of Holders. Holders will be bound by the terms of the Deed Poll, the Capital Notes 2 Terms and this Prospectus when CN2 are issued or transferred to them or they purchase CN2. The Registry will hold the original executed Deed Poll on behalf of Holders. Each Holder can enforce BEN's obligations under the Deed Poll, including the Capital Notes 2 Terms and meeting provisions, independently of the Registry and each other. A copy of the Deed Poll can be obtained from www.CN2offer.bendigoadelaide.com.au. 	Deed Poll
2.9.9 What are the taxation implications of investing in Capital Notes 2?	<ul style="list-style-type: none"> The taxation implications of investing in CN2 will depend on an investor's individual circumstances. Prospective investors should obtain their own taxation advice. 	Section 7
2.9.10 Is brokerage, commission or stamp duty payable?	<ul style="list-style-type: none"> No brokerage, commission or stamp duty is payable on Applications for CN2. Holders may have to pay brokerage on any subsequent transfer of CN2 on ASX after quotation. 	Section 4.3.2
2.9.11 Determination and calculation final	<ul style="list-style-type: none"> BEN's determination of all dates, rates and amounts under the Capital Notes 2 Terms is, in the absence of wilful default, bad faith or manifest error, final and binding on BEN, the Registry and each Holder. 	Clause 2.9 of the Capital Notes 2 Terms
2.9.12 Power of Attorney	<ul style="list-style-type: none"> Each Holder appoints each of BEN, its directors, officers and authorised delegates of the Board, and any External Administrator of BEN (each an "Attorney") severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under the Capital Notes 2 Terms, including, but not limited to, any transfers of CN2, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Exchange, Redemption or Resale. 	Clause 14.9 of the Capital Notes 2 Terms

Where can I get more information?

If you have any questions about the Offer or Capital Notes 2, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) (Monday to Friday – 8:30am to 7:30pm Melbourne time).

3 Details of the Reinvestment Offer

This Section provides information on BEN's invitation to Eligible CPS4 Holders to reinvest their CPS4 in Capital Notes 2 and the options available to CPS4 Holders.

3.1 Overview

3.1.1 What are CPS4?

CPS4 are converting preference shares issued by BEN in 2017. CPS4 trade on the ASX under the code "BENPG".

3.1.2 What is happening to CPS4?

On 26 February 2024, BEN issued an exchange notice in accordance with the CPS4 Terms. The exchange notice confirms that, subject to the Offer proceeding and certain other conditions being met, on the Issue Date, CPS4 that are to be reinvested in CN2 under the Reinvestment Offer (being "**Participating CPS4**") will be resold to the CPS4 Nominated Purchaser and then redeemed in the hands of the CPS4 Nominated Purchaser by BEN, in each case for \$100 per Participating CPS4.¹

Following the Issue Date, CPS4 that are not reinvested in CN2 under the Reinvestment Offer (being "**Non-Participating CPS4**") will continue to remain on issue. On 13 June 2024, BEN then has the option under the CPS4 Terms to:

- redeem all or some of the Non-Participating CPS4 for their face value of \$100 (subject to APRA's prior written approval, which may or may not be given); and/or
- resell all or some of the Non-Participating CPS4 for their face value of \$100 to a nominated third party selected by BEN; and/or
- convert all or some of the Non-Participating CPS4 into Ordinary Shares.

As at the date of this Prospectus, BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 (being the Non-Participating CPS4) on 13 June 2024 to a nominated purchaser and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. However, any such resale and redemption remains subject to the CPS4 Terms and is at BEN's absolute discretion.

3.1.3 What is the Reinvestment Offer?

The Reinvestment Offer is an opportunity for Eligible CPS4 Holders to apply to reinvest all or some of their CPS4 in CN2. Any reinvestment of CPS4 in CN2 will occur before the intended resale and redemption of all outstanding CPS4 on 13 June 2024.²

3.1.4 What is the difference between Participating CPS4 and Non-Participating CPS4?

CPS4 that are reinvested in CN2 under the Reinvestment Offer are referred to in this Prospectus as Participating CPS4.

CPS4 that are not reinvested in CN2 under the Reinvestment Offer are referred to in this Prospectus as Non-Participating CPS4.

3.1.5 What happens to Participating CPS4 upon reinvestment?

To facilitate the Reinvestment Offer, BEN issued an exchange notice in respect of Participating CPS4 only, a copy of which was released on the ASX on 26 February 2024. In accordance with that exchange notice, any Participating CPS4 will be resold to the CPS4 Nominated Purchaser on 25 March 2024 and the CPS4 Resale Proceeds (being \$100 per Participating CPS4) will be automatically applied towards the subscription for CN2. Participating CPS4 Holders will be Allocated one CN2 for each Participating CPS4.

1. The exchange notice is irrevocable, except as provided by the CPS4 Terms. The resale of the Participating CPS4 may not occur for a number of reasons, including if a Non-Viability Trigger Event or Capital Trigger Event (as those terms are defined in the CPS4 Terms) occurs, the CPS4 Nominated Purchaser does not for any reason pay the CPS4 Resale Proceeds in full on 25 March 2024, APRA revokes its approval of the CPS4 Resale or the CPS4 cannot be transferred for any reason. If the CPS4 Resale does not occur, except where such a Non-Viability Trigger Event or Capital Trigger Event occurs in respect of CPS4, CPS4 Holders will continue to hold their CPS4.

2. Any redemption of CPS4 does not imply or indicate that BEN will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by BEN. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

3 Details of the Reinvestment Offer

3.1 Overview *continued*

3.1.6 What happens to Non-Participating CPS4?

Any Non-Participating CPS4 will remain on issue following completion of the Reinvestment Offer and will be dealt with in accordance with the CPS4 Terms. All rights attaching to the Non-Participating CPS4 will continue, including to any dividends determined to be paid.

If Non-Participating CPS4 are resold to a nominated purchaser and then redeemed by BEN on 13 June 2024 as intended by BEN (see Section 3.1.2), the resale proceeds (being \$100 per Non-Participating CPS4) will be paid to Non-Participating CPS4 Holders on that date.

3.1.7 Who is the CPS4 Nominated Purchaser?

UBS AG, Australia Branch (or a permitted successor).

3.1.8 What is the CPS4 Dividend and when will it be paid?

Holders of CPS4 can expect to receive the scheduled dividend of \$1.4151 per CPS4 on 13 March 2024, subject to the CPS4 Terms.

The CPS4 Dividend scheduled to be paid on 13 June 2024 has been split into two dividends to facilitate the Reinvestment Offer – the First Pro Rata Dividend and the Second Pro Rata Dividend.

The First Pro Rata Dividend is scheduled to be paid on all CPS4 on the Issue Date of CN2 (which is expected to be 25 March 2024). It will be calculated in accordance with the CPS4 Terms using the bank bill rate on 13 March 2024 and the franking percentage applicable on the Reinvested CPS4 Reinvestment Date. It will be paid in respect of the period from (and including) 13 March 2024 to (but excluding) the Reinvested CPS4 Reinvestment Date.

If you hold CPS4 on the record date for the First Pro Rata Dividend (which is expected to be 13 March 2024), then you will receive the First Pro Rata Dividend irrespective of whether your CPS4 participate in the Reinvestment Offer or not (subject to this Prospectus not being withdrawn, the payment conditions in the CPS4 Terms and BEN's absolute discretion).

The First Pro Rata Dividend is a separate dividend payment from BEN and does not form part of the resale price.

The Second Pro Rata Dividend is scheduled to be paid on all CPS4 outstanding on 13 June 2024 (that is CPS4 which have not been resold as part of the Reinvestment Offer). It will be calculated using the same bank bill rate as that used to calculate the First Pro Rata Dividend and the franking percentage applicable on 13 June 2024. It will be paid in respect of the period from (and including) the Reinvested CPS4 Reinvestment Date to (but excluding) 13 June 2024.

If you hold CPS4 on the record date for the Second Pro Rata Dividend (which is expected to be 31 May 2024), then you will receive the Second Pro Rata Dividend (subject to the payment conditions in the CPS4 Terms and BEN's absolute discretion). You will not receive the Second Pro Rata Dividend in respect of any Participating CPS4 as those Participating CPS4 will have been resold to the CPS4 Nominated Purchaser before the record date for the Second Pro Rata Dividend.

Any payment of the Pro Rata Dividend will be made in accordance with your existing CPS4 payment instructions.

3.1.9 Can I elect to reinvest the First Pro Rata Dividend in Capital Notes 2?

No. The First Pro Rata Dividend will be paid to CPS4 Holders as at the CPS4 Dividend record date of 13 March 2024 via direct credit on 25 March 2024, in accordance with your existing CPS4 payment instructions.

3 Details of the Reinvestment Offer

3.2 Key details of the Reinvestment Offer

3.2.1 Who is eligible to participate in the Reinvestment Offer?

To be eligible to participate in the Reinvestment Offer, CPS4 Holders must:

- i. be registered holders of CPS4 shown on the Register at 7:00pm on the Reinvestment Offer Record Date, being 22 February 2024, as having an address in Australia; and
- ii. be a company or individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; and
- iii. have an Australian residential address; and
- iv. either be:
 - a. an investor who is within the Target Market and has received personal financial product advice from a financial adviser to acquire CN2; or
 - b. a Wholesale Client.

You will need to provide evidence to your Syndicate Broker that you satisfy one of the eligibility requirements in (iv) above. Please see Sections 3.2.3 and 4.3 for details on how to apply.

3.2.2 What will Participating CPS4 Holders receive?

Participating CPS4 Holders will be Allocated one CN2 for each Participating CPS4 reinvested on 25 March 2024 and will be entitled to the dividends on CPS4 set out in Option 1 in Section 3.3.1.

3.2.3 How do I apply to participate in the Reinvestment Offer?

All Applications under the Reinvestment Offer must be made through a Syndicate Broker.

You should contact your Syndicate Broker as soon as possible during the Exposure Period¹ to express an interest in applying for CN2 or to obtain more information on whether you meet the eligibility requirements. BEN will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens.

BEN may in its absolute discretion accept Applications under the Reinvestment Offer from Eligible CPS4 Holders not Allocated CN2 under the Bookbuild.

Unlike the previous Capital Notes offer, no Applications can be made directly to BEN.

Please see Section 4.3 for details on how to apply.

3.2.4 Do Applications received under the Reinvestment Offer have priority?

There is no guaranteed Allocation under the Reinvestment Offer, but BEN will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will only be applicable where an Eligible CPS4 Holder has received an Allocation of CN2 from a Syndicate Broker under the Bookbuild, and provided that the Eligible CPS4 Holder provides satisfactory evidence to the Syndicate Broker that the Applicant satisfies the eligibility requirements in accordance with the TMD. This priority will not extend to (i) Applications for additional CN2 by Eligible CPS4 Holders under the New Money Offer, or (ii) Applications under the Reinvestment Offer where the Eligible CPS4 Holder has not received an Allocation of CN2 under the Bookbuild.

3.2.5 Can CPS4 be sold after an Application under the Reinvestment Offer has been made?

No. Eligible CPS4 Holders who apply to participate in the Reinvestment Offer are taken to agree to a holding lock being placed on their CPS4 elected for reinvestment, pending completion of the Reinvestment Offer. Once the holding lock has been applied, you will not be able to dispose of or otherwise successfully deal with those Participating CPS4.

3.2.6 Is any brokerage or stamp duty payable?

No brokerage or stamp duty is payable on the resale of Participating CPS4 to the CPS4 Nominated Purchaser or on the reinvestment of the CPS4 Resale Proceeds under the Reinvestment Offer.

1. The Corporations Act prohibits the acceptance of Applications during the seven day period after the date this Prospectus was lodged with ASIC. This period is referred to as the Exposure Period and ASIC may extend this period by up to a further seven days (that is up to 14 days in total). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the Opening Date.

3 Details of the Reinvestment Offer

3.3 What are the options available to CPS4 Holders?

Eligible CPS4 Holders have two options to consider which are described below. Participation in the Reinvestment Offer is optional for Eligible CPS4 Holders.

3.3.1 What are the options available to Eligible CPS4 Holders?

What should Eligible CPS4 Holders do?

Option 1

Reinvest all or some of your CPS4 in Capital Notes 2

- Eligible CPS4 Holders may apply to participate in the Reinvestment Offer in respect of all or some of their CPS4 held on the Reinvestment Offer Record Date. See Section 3.2.3 for details on how to apply.
- You do not need to submit an Application Payment in respect of CPS4 being reinvested as the CPS4 Resale Proceeds (\$100 per CPS4) will be automatically reinvested in the equivalent number of CN2.
- If you choose to reinvest all of your CPS4, you may also apply for additional CN2 under the New Money Offer. You will need to submit an Application Payment for any additional CN2. An Application must be made to, and the Application Payment (as applicable) must be received by, your Syndicate Broker in sufficient time for them to process your Application on your behalf by the Closing Date, expected to be 5:00pm (Melbourne time) on 19 March 2024. See Section 4.3 for details on how to apply.
- Once you have submitted an Application to reinvest your CPS4, you will be taken to have agreed to a holding lock being placed on those CPS4 and accordingly will not be able to successfully deal with those CPS4.
- You will be paid the First Pro Rata Dividend on 25 March 2024 for each Participating CPS4 held on the record date, being 13 March 2024, provided the dividend payment conditions in the CPS4 Terms are satisfied. This is the last dividend you will receive on any Participating CPS4.
- If you participate partially in the Reinvestment Offer in respect of only some of your CPS4, please see Option 2 below in respect of any Non-Participating CPS4.

Option 2

Take no action – do not participate in the Reinvestment Offer

- If you are a Non-Participating CPS4 Holder, no further action is required and you can continue to hold your Non-Participating CPS4, which will be dealt with in accordance with the CPS4 Terms.
- You will be paid the following dividends on Non-Participating CPS4:
 - the First Pro Rata Dividend on 25 March 2024 for each CPS4 held on the record date, being 13 March 2024; and
 - the Second Pro Rata Dividend on 13 June 2024 for each CPS4 held on the record date, being 31 May 2024,
 in each case provided that the dividend payment conditions in the CPS4 Terms are satisfied.
- Under the CPS4 Terms, BEN may elect to exchange CPS4 on 13 June 2024, subject to APRA's prior written approval, further conditions and BEN's absolute discretion. As at the date of this Prospectus, BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. If the intended resale and redemption were to occur, you will be paid the resale proceeds of \$100 per Non-Participating CPS4 that you still hold on that date.¹
- Non-Participating CPS4 Holders may choose to sell their Non-Participating CPS4 on the ASX at the prevailing market price, which may be higher or lower than the resale proceeds of \$100 (if the intended resale and redemption were to occur). You may be required to pay applicable brokerage if you choose to sell CPS4 on the ASX.

1. Any redemption of the CPS4 does not imply or indicate that BEN will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by BEN. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

3 Details of the Reinvestment Offer

3.3 What are the options available to CPS4 Holders? *continued*

3.3.2 What are the options available to ineligible CPS4 Holders?

CPS4 Holders who have a registered address outside Australia or who are otherwise not an Eligible CPS4 Holder are ineligible to participate in the Reinvestment Offer.¹ In these circumstances, ineligible CPS4 Holders are limited to the following options:

- take no action. As at the date of this Prospectus, BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. If the intended resale and redemption were to occur, ineligible CPS4 Holders will be paid the resale proceeds of \$100 per CPS4 that they still hold on that date. Ineligible CPS4 Holders will also receive the First Pro Rata Dividend on 25 March 2024 for each CPS4 held on the record date (being 13 March 2024), and the Second Pro Rata Dividend on 13 June 2024 for each CPS4 held on the record date (being 31 May 2024); or
- sell CPS4 on the ASX at the prevailing market price, which may be higher or lower than the resale proceeds of \$100 (if the intended resale and redemption were to occur).

3.4 What are the risks associated with participating in the Reinvestment Offer?

If you are an Eligible CPS4 Holder and you apply under the Reinvestment Offer, you may receive an Allocation of CN2. As such, you will be subject to the risks associated with an investment in CN2 and in BEN, many of which are outside the control of BEN and its directors. These risks are outlined in Section 1.4 and Section 6 and should be considered before you apply under the Reinvestment Offer.

An example of such risks are the risks that a Capital Trigger Event or a Non-Viability Trigger Event may occur in respect of CN2. See Section 2.6 for further information on Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event.

CPS4 and CN2 have different benefits and risks, which must be evaluated separately. For a comparison of CPS4 and CN2, please refer to the table in Section 2.1.10.

3.5 Further information about CPS4 and participating in the Reinvestment Offer

3.5.1 Do you need to apply for a minimum number of Capital Notes 2?

There is no minimum number of CPS4 that you must hold to be able to participate in the Reinvestment Offer.

If you are an Eligible CPS4 Holder and own 50 CPS4 or less, you must apply to reinvest all your CPS4 in CN2 if you wish to participate in the Reinvestment Offer. If you are an Eligible CPS4 Holder and own more than 50 CPS4, you must apply for a minimum number of 50 CN2 (\$5,000). In any event, you are entitled to apply for the same number of CN2 as the number of CPS4 you hold.

If you wish to apply for additional CN2, you must apply for a minimum of 50 CN2 (\$5,000), in addition to any Reinvested CPS4. Applications for additional CN2 must result in your additional CN2 Application being in multiples of 10 CN2 (\$1,000).

3.5.2 What will happen to my CPS4 if I do not apply for them to be reinvested under the Reinvestment Offer or the Reinvestment Offer does not proceed?

Your CPS4 will remain on issue and be dealt with in accordance with their terms. You will be paid:

- the First Pro Rata Dividend on 25 March 2024 for each CPS4 held on the record date, being 13 March 2024 (provided the dividend payment conditions in the CPS4 Terms are satisfied); and
- the Second Pro Rata Dividend on 13 June 2024 for each CPS4 held on the record date, being 31 May 2024 (provided the dividend payment conditions in the CPS4 Terms are satisfied).

Under the CPS4 Terms, BEN may elect to exchange CPS4 on 13 June 2024, subject to APRA's prior written approval, further conditions and BEN's absolute discretion. As at the date of this Prospectus, BEN intends to issue a further exchange notice to mandatorily resell all remaining CPS4 on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4. If the intended redemption were to occur, you will be paid the resale proceeds of \$100 per CPS4 that you still hold on that date.²

Following the Reinvestment Offer, it is expected that the number of CPS4 on issue will be significantly reduced, which may impact on the liquidity of the CPS4 while they remain on issue.

1. For example, CPS4 Holders who are not in the Target Market or who are in the United States or acting as a nominee for a person in the United States are ineligible and cannot participate in the Reinvestment Offer.

2. Any redemption of the CPS4 does not imply or indicate that BEN will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by BEN. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

3 Details of the Reinvestment Offer

3.5 Further information about CPS4 and participating in the Reinvestment Offer *continued*

3.5.3 What do you do if you have sold some of your CPS4 but wish to apply for Capital Notes 2?

If you have sold any CPS4 you held at 7:00pm on 22 February 2024, you cannot apply to have those CPS4 reinvested in CN2.

Additionally, if you have purchased any CPS4 since 7:00pm on 22 February 2024, you cannot apply to have those CPS4 reinvested in CN2.

3.5.4 Can you sell your CPS4 after you have completed and submitted your Application to your Syndicate Broker?

No. If you apply to have your CPS4 reinvested in CN2, it is your responsibility to ensure that you do not sell or dispose of any of those CPS4 that you have applied to reinvest, other than as part of the Reinvestment Offer. Holders are taken to agree to a holding lock being placed on those CPS4, pending completion of the Reinvestment Offer – but it is your obligation to ensure that you do not transfer those CPS4. If you do, the number of CN2 you may be allocated will be reduced to the extent the required number of CPS4 are not available on 25 March 2024. Once you have submitted an Application to your Syndicate Broker to reinvest your CPS4, you will be taken to have agreed to a holding lock being placed on those CPS4 and accordingly will not be able to successfully deal with those CPS4.

3.5.5 What are the tax implications of having your CPS4 redeemed?

A general outline of the taxation implications of investing in the Offer for certain investors who are Australian residents for tax purposes can be found in the Australian taxation summary in Section 7.

3.5.6 Can you change your CPS4 payment instructions?

If you elect to reinvest some or all of your CPS4 in CN2 and you wish to change your CPS4 payment instructions for the payment of the First Pro Rata Dividend on your Reinvested CPS4, you must provide updated instructions to the Registry by 13 March 2024.

3.5.7 Is brokerage or stamp duty payable?

No brokerage or stamp duty is payable on the resale of your CPS4 or your Application for CN2. CPS4 Holders who choose to sell their CPS4 on market through their broker may be required to pay applicable brokerage.

3.5.8 What happens if the Capital Notes 2 offer does not proceed?

If you have elected to reinvest some or all of your CPS4 in CN2 and the Offer does not proceed, your CPS4 will not be reinvested into CN2 and will be dealt with in accordance with the CPS4 Terms. Any Application Payment in respect of additional CN2 will be refunded to you. No interest will be payable on any additional Application Payment.

3.5.9 Why have the CPS4 Terms been amended?

BEN has amended the CPS4 Terms to facilitate the Reinvestment Offer. In particular, the amendments enable:

- the resale of the Participating CPS4 to the CPS4 Nominated Purchaser for \$100 per Participating CPS4;
- the redemption of the Participating CPS4 by BEN for \$100 per Participating CPS4 on the Issue Date once they are held by the CPS4 Nominated Purchaser; and
- the payment of the First Pro Rata Dividend.

The amendments have been made in accordance with clause 17.1 of the CPS4 Terms.

4 Details of the Offer

This Section sets out a description of the Offer, the Target Market and what you must do if you wish to apply for Capital Notes 2.

As described in the “Design and distribution obligations” section at the front of this Prospectus, Capital Notes 2 will be the first issuance of a BEN capital note security subject to the new DDO Laws. To comply with the DDO Laws and ensure that Capital Notes 2 are distributed in accordance with the TMD required under the DDO Laws, BEN has made a number of changes to the way the Offer is conducted, as compared to the previous Capital Notes offer. In particular, there are new eligibility requirements to participate in both the Reinvestment Offer and New Money Offer and all Applications must be made through a Syndicate Broker (no Applications can be made directly to BEN).

A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

You should read this Section 4 carefully and speak to your Syndicate Broker if you have any questions.

4.1 The Offer

The Offer is for the issue of CN2 at an Issue Price of \$100 each to raise \$250 million, with the ability to raise more or less. The Offer comprises:

- a Reinvestment Offer – to clients of Syndicate Brokers, and Institutional Investors, who are Eligible CPS4 Holders wishing to reinvest some or all of their CPS4 in CN2; and
- a New Money Offer – to eligible clients of Syndicate Brokers, and Institutional Investors, wishing to make new investments in CN2.

Unlike the previous Capital Notes offer, there is no specific offer to BEN securityholders and no general public offer.

Applications under the Offer can only be made by eligible investors who received an Allocation of CN2 from a Syndicate Broker under the Bookbuild. You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether you satisfy the eligibility requirements. BEN will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens. BEN and the Registry take no responsibility for any acts or omissions by your Syndicate Broker in connection with your Application.

There is no guaranteed Allocation under the Offer, but BEN will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will only be applicable where an Eligible CPS4 Holder has received an Allocation of CN2 from a Syndicate Broker under the Bookbuild, and provided that the Eligible CPS4 Holder provides satisfactory evidence to the Syndicate Broker that the Applicant satisfies the eligibility requirements in accordance with the TMD. This priority will not extend to (i) Applications for additional CN2 by Eligible CPS4 Holders under the New Money Offer, or (ii) Applications under the Reinvestment Offer where the Eligible CPS4 Holder has not received an Allocation of CN2 under the Bookbuild.

BEN reserves the right to accept Applications from other persons at its discretion.

BEN and the Joint Lead Managers may, in their discretion, close the Offer early. BEN may also withdraw the Offer at any time before CN2 are issued. Additionally, BEN and the Syndicate Brokers may, in their discretion, accept Applications for additional CN2 under the Reinvestment Offer from Eligible CPS4 Holders not Allocated CN2 under the Bookbuild.

BEN and the Joint Lead Managers may also exercise discretion, where reasonable, to extend the Offer Period having regard to market conditions, the circumstances of the Offer, and BEN's business needs. Material changes to the timetable for the Offer will be disclosed on ASX as soon as practicable.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. As at the date of this Prospectus, no action has been taken to register or qualify CN2 or the Offer or to otherwise permit a public offering of CN2 outside Australia. This Prospectus does not constitute an offer of securities in the United States or to any US Persons, or to any person acting for the account or benefit of a US Person.

For details on how to apply for CN2 under the Offer – see Section 4.3. For further details of the Reinvestment Offer – see Section 3.

4 Details of the Offer

4.2 Capital Notes 2 Target Market

BEN has made a Target Market Determination for Capital Notes 2 in accordance with its obligations under the DDO Laws. A copy of the TMD is available from www.CN2offer.bendigoadelaide.com.au.

The TMD describes, among other things, the Target Market, which comprises retail investors who:

- are seeking to acquire an investment product with the ability to generate income;
- are **not** seeking capital growth;
- are able to bear the risks associated with an investment in CN2 (in particular, the potential non-payment of Distributions, the lack of certainty as to timeframe for repayment of the capital invested and the potential loss of some or all of the capital invested in CN2);
- are seeking to invest for the long term and do not require certainty as to repayment of their capital invested within a specific timeframe; and
- are seeking to have the ability to sell CN2 on market at the prevailing market price (noting there may not be a liquid market for CN2 and investors who wish to sell their CN2 on market may be unable to do so at an acceptable price, or at all).

If you are a retail investor and wish to apply for CN2, you can only apply for CN2 if you are within the Target Market and have received personal financial product advice from a financial adviser to acquire CN2.

If you have any questions about the Offer, CN2 or the Target Market, you should also contact your Syndicate Broker or a qualified financial adviser.

4.3 Applying for Capital Notes 2

4.3.1 Apply through a Syndicate Broker

Who may apply

Eligibility requirements

To be eligible to participate in the Offer (including the Reinvestment Offer or the New Money Offer), you must:

- be a company or an individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; and
- have a registered address in Australia; and
- be either:
 - an investor who is within the Target Market (see Section 4.2) and has received personal financial product advice from a financial adviser to acquire CN2; or
 - a Wholesale Client; and
- in the case of the Reinvestment Offer only, be a registered holder of CPS4 shown on the Register at 7:00pm (Melbourne time) on the Reinvestment Offer Record Date, being 22 February 2024, as having an address in Australia.

Evidence of satisfaction of eligibility requirements

Satisfactory evidence must be held or provided to your Syndicate Broker that either:

- you have received personal financial product advice (in the form of a certificate from a financial adviser or a copy of a statement of advice from a financial adviser) to acquire CN2; or
- you are a Wholesale Client (in the form of a valid wholesale investor certificate for the purposes of section 761G(7) of the Corporations Act or such other evidence as your Syndicate Broker may require).

How to apply

All Applications under the Offer can only be made through a Syndicate Broker. A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether you satisfy the eligibility requirements. BEN will not process any Applications during the Exposure Period.

You must receive an Allocation from a Syndicate Broker under the Bookbuild to apply.

Your Syndicate Broker can also assist you with how to apply once the Offer opens.

Unlike the previous Capital Notes offer, no Applications (including from Eligible CPS4 Holders) can be made directly to BEN.

4 Details of the Offer

4.3 Applying for Capital Notes 2 *continued*

When to apply and pay	<p>An Application must be made to, and the Application Payment (as applicable) must be received by, your Syndicate Broker in sufficient time for them to process your Application on your behalf by the Closing Date, expected to be 5:00pm (Melbourne time) on 19 March 2024.</p> <p>Your Syndicate Broker may require you to submit an Application Form – please contact your Syndicate Broker for further details.</p>
Minimum Application amount	<p>Reinvestment Offer</p> <p>There is no minimum number of CPS4 that you must hold to be able to participate in the Reinvestment Offer. You may apply to reinvest all or some of your CPS4 in CN2, except that, if you wish to participate in the Reinvestment Offer and:</p> <ul style="list-style-type: none"> • you own 50 CPS4 or fewer, you must apply to reinvest all of your CPS4; or • you own more than 50 CPS4, you must apply to reinvest a minimum of 50 CPS4 (\$5,000). <p>If you apply to reinvest all of your CPS4, you may also apply for additional CN2 under the New Money Offer. Your Application for additional CN2 must be for a minimum of 50 additional CN2 (\$5,000), and thereafter in multiples of 10 CN2 (\$1,000) (over and above your Application for reinvestment).</p> <p>If you apply to reinvest some of your CPS4, the CPS4 not reinvested will be dealt with as explained in Section 3.3.</p> <p>New Money Offer</p> <p>Applications must be for a minimum of 50 CN2 (\$5,000).</p> <p>If your Application is for more than 50 CN2, you must apply in multiples of 10 CN2 (\$1,000) thereafter.</p>

As there is no general public offer or securityholder offer, all investors that would like to apply for CN2 will need to apply through a Syndicate Broker. No Applications can be made directly to BEN.

4.3.2 Brokerage and stamp duty

You do not have to pay brokerage or stamp duty on your Application for CN2. You may have to pay brokerage, but will not have to pay any stamp duty, on any later sale of your CN2 on ASX after CN2 have been quoted on ASX.

4.3.3 Application Payments held on trust

Until CN2 are issued, BEN will hold the Application Payments in a non-interest bearing trust account. The account will be established and kept solely for the purpose of depositing Application Payments and dealing with those funds in accordance with the Corporations Act. After CN2 are issued to successful Applicants, the Application Payments held on trust will be payable to BEN.

4.3.4 Holding Lock on Participating CPS4

If you apply to participate in the Reinvestment Offer, you are taken to agree to a holding lock being placed on those CPS4 elected for reinvestment, pending completion of the Reinvestment Offer. If on the Closing Date you hold less CPS4 than you elected to reinvest, your Application under the Reinvestment Offer will be for the number of CPS4 registered in your name on the Closing Date.

4.3.5 Refunds

Applicants who are not allotted any CN2, or are allotted fewer CN2 than the number applied and paid for under the New Money Offer will have all or some of their Application Payments (as applicable) refunded to them by their Syndicate Broker (without interest) as soon as practicable after the Issue Date.

If the Offer does not proceed for any reason, Applicants (including Eligible CPS4 Holders applying for additional CN2 under the New Money Offer) will have their Application Payments refunded to them by their Syndicate Broker (without interest) as soon as practicable. BEN takes no responsibility for handling of Application Payments by any Syndicate Broker.

Please see Section 3.5.8 for further information about what happens if you have elected to apply to reinvest all or some of your CPS4 under the Reinvestment Offer and the Offer does not proceed.

4 Details of the Offer

4.4 Provision of personal information

The information about you included in an Application (including on an Application Form) is used for the purposes of processing the Application and, if the Application is successful, to administer your CN2. For information about the acknowledgements and privacy statement in relation to personal information that you provide to BEN by submitting an Application – see Section 8.11.

4.5 Allocation policy and Allotment

4.5.1 Bookbuild

The Bookbuild is a process that will be conducted by the Joint Lead Managers in consultation with BEN before the Opening Date to determine the Margin and firm Allocations of CN2 to Bookbuild participants. In this process, the Bookbuild participants are invited to submit bids for a number of CN2 within an indicative Margin range of 3.20% to 3.40%. On the basis of those bids, the Joint Lead Managers and BEN will determine the Margin as well as the firm Allocations to Syndicate Brokers and Institutional Investors.

The Bookbuild will be conducted in the manner contemplated in this Prospectus and otherwise on the terms and conditions agreed to by BEN and the Joint Lead Managers in the Offer Management Agreement – see Section 8.6.

4.5.2 Allocation policy

The Allocations for Joint Lead Managers (and their affiliated retail brokers), Co-Managers and Institutional Investors will be determined under the Bookbuild. BEN has the right to nominate the persons to whom CN2 were or will be Allocated, including in respect of firm Allocations to Syndicate Brokers and Institutional Investors under the Bookbuild.

Allocations to Applicants under the New Money Offer from a Syndicate Broker are at the discretion of that Syndicate Broker. It is possible for Applications under the New Money Offer to be scaled back by a Syndicate Broker. BEN takes no responsibility for any Allocation, scale back or rejection that is decided by a Syndicate Broker.

There is no guaranteed Allocation under the Offer, but BEN will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will only be applicable where an Eligible CPS4 Holder has received an Allocation of CN2 from a Syndicate Broker under the Bookbuild, and provided that the Eligible CPS4 Holder provides satisfactory evidence to the Syndicate Broker that the Applicant satisfies the eligibility requirements in accordance with the TMD. This priority will not extend to (i) Applications for additional CN2 by Eligible CPS4 Holders under the New Money Offer, or (ii) Applications under the Reinvestment Offer where the Eligible CPS4 Holder has not received an Allocation of CN2 under the Bookbuild.

BEN reserves the right not to accept Applications from any Applicant. BEN and the Joint Lead Managers reserve the right to Allocate any Eligible CPS4 Holder a lesser number of CPS4 than applied for, including less than the minimum Application of 50 CN2 (\$5,000).

BEN also reserves the right not to issue any CN2. In this instance no Applicants will receive an Allocation.

4.5.3 Settlement support

The Joint Lead Managers have agreed with BEN to provide settlement support for the number of CN2 Allocated to Institutional Investors and Syndicate Brokers under the Bookbuild. Settlement support means that if any of the Institutional Investors or Syndicate Brokers fail to pay the aggregate Issue Price to BEN by the Settlement Date, the Joint Lead Managers will be issued with and must pay for those CN2.

Under the Offer Management Agreement, as part of this settlement support, the Joint Lead Managers will pay to BEN, or procure payment to BEN of, the aggregate proceeds raised from Institutional Investors and Syndicate Brokers under the Bookbuild (taking into account the application of CPS4 Resale Proceeds under the Reinvestment Offer) by the Settlement Date.

The Offer Management Agreement may be terminated by the Joint Lead Managers in certain circumstances – see Section 8.6. For details of the fees payable under the Offer Management Agreement – see Section 9.2.2.

4.5.4 Allotment

BEN intends to issue 2.5 million CN2 at an Issue Price of \$100 each, to raise \$250 million, with the ability to raise more or less.

BEN will not issue any CN2 until it has been granted approval for CN2 to be quoted on ASX and all proceeds from accepted Applications have been received by BEN.

CN2 will be issued on the Issue Date which is Monday, 25 March 2024. BEN may agree with the Joint Lead Managers to change the Closing Date for the Offer and the Issue Date or may withdraw the Offer at any time before Allotment.

4 Details of the Offer

4.6 Quotation, Holding Statements and other information

4.6.1 ASX quotation

BEN will apply to ASX for CN2 to be quoted on ASX. If ASX does not grant permission for CN2 to be quoted within three months after the date of this Prospectus (or any longer period permitted by law), CN2 will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable. It is expected that CN2 will be quoted under ASX code "BENPI".

4.6.2 Commencement of trading of Capital Notes 2 on ASX

It is expected that CN2 will begin trading on ASX on a normal settlement basis on Tuesday, 26 March 2024. Deferred settlement will not occur. Holding Statements are expected to be despatched by Wednesday, 27 March 2024.

You are responsible for confirming your holding before trading in CN2. If you are a successful Applicant and sell your CN2 before receiving your Holding Statement, you do so at your own risk.

You should contact your Syndicate Broker to seek information regarding your Allocation after the Issue Date.

4.6.3 Holding Statements

BEN will apply for CN2 to participate in CHESS. No certificates will be issued for CN2. Following the Allotment of CN2 to successful Applicants, Holders will be sent a Holding Statement that sets out the number of CN2 they have been allocated in the Offer.

BEN expects that Holding Statements for issuer sponsored holders and confirmations for CHESS holders will be despatched to successful Applicants on Wednesday, 27 March 2024.

4.6.4 Provision of bank account details for Distributions

To receive payments of Distributions, Holders must notify BEN or the Registry of an Australian dollar bank account maintained in Australia with a financial institution to which payments in respect of CN2 may be credited. On the relevant payment date, BEN will directly credit the payment amount to the Australian financial institution account specified by the Holder.

If you do not provide these account details to the Registry, or if any Distribution paid to you is unsuccessful for any reason (other than an error made by or on behalf of BEN), then you will be sent a notice advising you of the amount of the Distribution and the funds will be held in a bank account as a non-interest bearing deposit until:

- you nominate an Australian dollar bank account maintained in Australia for crediting with the payment (or you nominate a new bank account as the case may be);
- claims may no longer be made in respect of that amount, in which case the monies shall be paid to and be the property of BEN; or
- BEN pays the amount in accordance with the law relating to unclaimed moneys.

No additional interest is payable in respect of any delay in payment. BEN will not pay Distributions on the CN2 by cheque.

4.6.5 Tax File Number and/or Australian Business Number

Investors who have not already provided their Tax File Number ("TFN") or Australian Business Number ("ABN") to BEN will be given an opportunity to do so after CN2 are Allotted.

You do not have to provide your TFN or ABN. However, BEN may be required to withhold Australian tax at the maximum marginal tax rate (currently 47.0% including the Medicare levy) on the amount of any Distributions in respect of your CN2, and will not provide you with any additional payments in respect of that withholding, if you do not provide any one of your:

- TFN;
- TFN exemption details (if applicable); or
- ABN (if CN2 are held in the course of an enterprise carried on by a Holder).

You should also read the information about Australian tax consequences for Holders in Section 7.

If your CN2 are issued under an existing holding number with BEN, your current elections, including TFN or ABN details, will apply to CN2 unless you advise the Registrar otherwise.

4.6.6 FATCA and CRS (Common Reporting Standard) related information

BEN may require Applicants to provide it with certain information and/or documentation in relation to FATCA or the CRS. You agree to provide us with all information and assistance requested at any time (whether as part of the Application process or otherwise) to ensure that BEN is able to comply with its obligations under FATCA and the CRS and/or its internal policies and procedures in relation to FATCA and the CRS.

We will report such information in respect of certain Applicants and their holding of CN2 to the Australian Taxation Office, which will share FATCA information with the United States Internal Revenue Service and CRS information with the taxation authorities of certain other jurisdictions.

5 About Bendigo and Adelaide Bank

5.1 Bendigo and Adelaide Bank

BEN is an Australian public company listed on the ASX, registered in Victoria under the Corporations Act, and regulated as an Australian-owned ADI by APRA. The Bank converted from a building society to a bank on 1 July 1995. At the time of conversion, the Bank was Australia's largest and oldest building society, having operated as a building society for 137 years. The Bank has experienced significant growth since conversion, both organically and as a result of strategic acquisitions, and most notably as a result of its merger with Adelaide Bank Limited in 2007. The Bank has headquarters in Bendigo, Victoria and Adelaide, South Australia with the registered office based in Bendigo.

The Bank has a well-established distribution network which provides a full range of banking services to its customers primarily via a combination of corporate owned and **Community Bank** branches. This network, complemented by various digital offerings and mobile banking capability, provides one of the Bank's core strengths, being its ability to maintain strong connections with its customers and attract customer deposits.

5.1.1 Bendigo and Adelaide Bank's business model

The Bank provides a broad range of banking and other financial services to its customer base, which is mainly comprised of retail customers and small to medium sized businesses. The Bank also services a wide network of agribusiness customers under its specialist Rural Bank brand.

The Bank's main business activity is raising funds through customer deposits and wholesale funding markets and lending those funds to customers. The major lending activities are residential lending, commercial and business lending (including agribusiness) and consumer finance, which includes personal loans, credit cards and overdrafts.

The Bank's main revenue sources are:

- net interest income which is represented by the interest earned from its lending activities and liquidity portfolio, less interest paid on deposits and other funding sources; and
- other operating income, comprised of fee and commission revenue from the provision of banking, investment, insurance and superannuation services.

Our main business activities are structured and managed under the two customer-facing divisions of Consumer and Business and Agribusiness, supported in service delivery by the Customer Enablement division.

5.1.2 Consumer

The Consumer division incorporates areas engaging with and servicing its consumer customers. This includes its Bendigo Bank branch network (including **Community Bank**), mobile relationship managers, third party banking channels, wealth services and contact centres, as well as consumer support functions, including its processing centres.

Bendigo Bank is one of the leading banking brands for customer and business satisfaction and advocacy with a unique offering through its **Community Bank** model.

The Consumer division's Local Banking business unit provides deposit accounts, residential lending, personal loans and credit cards through its branch network and mobile relationship managers.

The **Community Bank** network consists of franchises within local communities that each own the rights to operate a Bendigo Bank branch. Essentially, a locally-owned public company invests in the rights to operate a bank branch. The Bank supplies all banking and back office services while the community company operates the retail outlet. Revenue is shared, enabling communities to earn revenue from their own banking and channel this revenue back into community enterprise and development.

The Third Party Banking business unit provides residential and consumer finance through intermediaries including mortgage partners, and mortgage brokers under the Adelaide Bank brand and white label arrangements.

The Wealth business unit is the provider of superannuation and investment services. The Wealth business unit also provides margin lending through the Bank's subsidiary, Leveraged Equities Limited and deposit products under the Adelaide Bank brand, through its team of business development and relationship managers.

5 About Bendigo and Adelaide Bank

5.1 Bendigo and Adelaide Bank *continued*

5.1.3 Business and Agribusiness

The Business and Agribusiness division incorporates:

- Business Banking (commercial finance and business solutions);
- Portfolio Funding (wholesale funding solutions for the finance sector);
- Private Banking Services (one-to-one banking for personal and business products); and
- Rural Bank (BEN's specialist agribusiness brand).

The division provides financial products and services to corporates, businesses, primary producers and agribusiness participants through a national network of specialists, business and agribusiness bankers and distribution partners based across Australia.

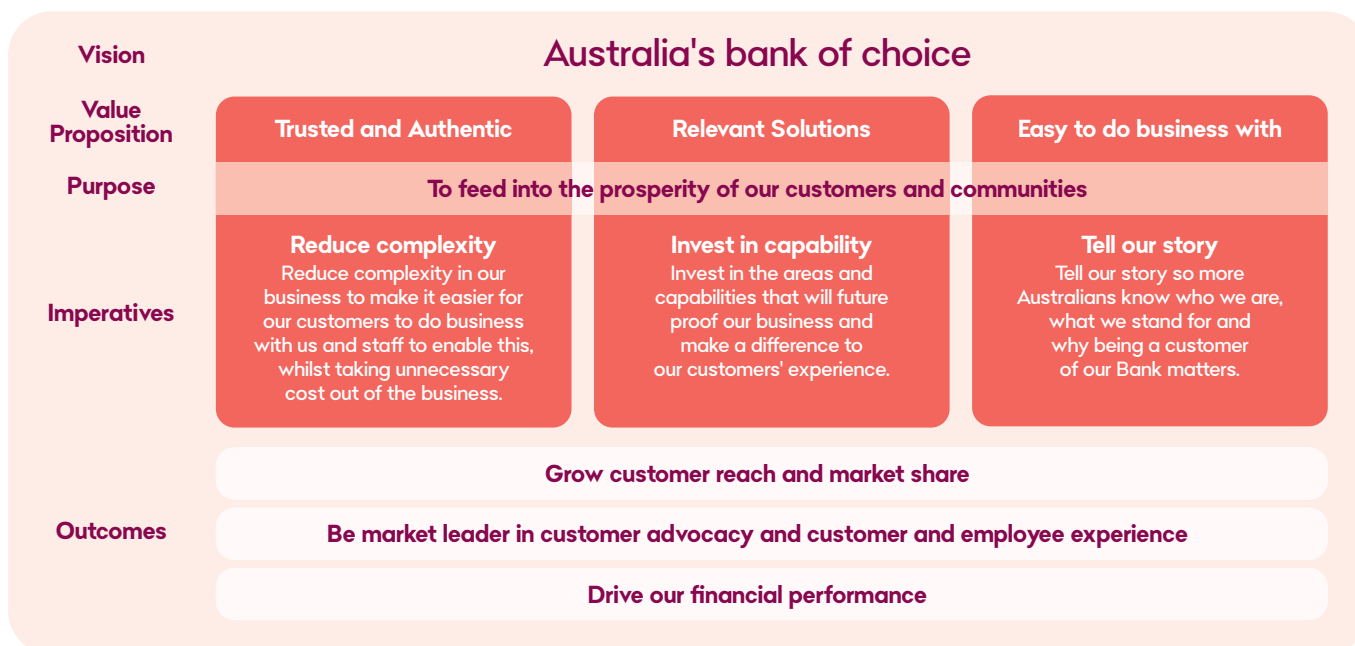
5.2 Our vision and strategy

Our vision is to be Australia's bank of choice. We believe we're the right choice for Australians because of our capability and deep commitment to doing good. It's part of our DNA and it's what sets us apart. We are recognised externally as the most trusted bank in Australia¹ and have the strongest reputation of any Australian Bank².

With more than 165 years' experience in providing financial services, BEN has remained true to its fundamental purpose of feeding into prosperity, not off it. We believe our business will only be successful when we can share in the success of the communities in which we operate.

While the fundamental purpose of our business may not have changed, the current operating and economic environment continues to change tremendously, especially the economic and health impacts, new technologies, and regulatory requirements.

We continue to be ambitious in growing our market share to deliver value for all stakeholders by reducing complexity, investing in capability and telling our story. The essence of what we do will not change, but the means by which we do it will continue to evolve as we strive to be Australia's bank of choice.



1. Roy Morgan Trusted Brand Awards, 2022, 2023.

2. RepTrak, 2023.

5 About Bendigo and Adelaide Bank

5.2 Our vision and strategy *continued*

5.2.1 Climate change

Our purpose is to feed into the prosperity of our customers and communities, not off it. Responding to climate change is a real opportunity for us to realise this purpose and deliver on our strategy.

We recognise that climate-related risks and opportunities are evolving. They are present for our customers, communities, our people and stakeholders as we navigate climate change and an economy in transition. We are well-positioned to support those stakeholders to prepare for and adapt to the changing climate.

Climate science and its implications are evolving, as are the standards and guidance we follow and the expectations of our stakeholders. Our commitment, outlined in our Board-approved Climate Change Policy Statement, serves to guide decisions. It helps us to examine customers and provide guidance around credit decisions for organisations which are auxiliary to the fossil fuel or native logging industries. We take a responsible and engagement-driven approach to updating our commitments and policies on an ongoing basis.

Oversight and management of climate-related risks and opportunities are embedded within our governance structure. The structure consists of the Bank's Board and its Committees, as well as the Executive Committee. The Board approves the Group's climate strategy and oversees its implementation by senior management.

We take a strategic approach to climate action. The following policies strategies and initiatives guide our approach:

Climate Change Policy Statement: A Board-approved, public position outlining the Bank's position on climate change, aligned to limit warming to 1.5 degrees as per the Intergovernmental Panel on Climate Change report and COP26 UN Climate Conference. Our Climate Change Policy Statement outlines excluded sectors of coal, coal seam gas, crude oil, natural gas and native forest logging. It also details our commitment to continue to support individual and business customers and communities which may rely on those excluded sectors for their livelihood and economic sustainability.

BENZero: BENZero is the approach we will take to reduce absolute emissions by 50% by 2030 and 95% by 2040 (from a 2020 baseline) across both our operational and financed emissions, whilst continuing to support our customers to be successful.

Climate & Nature Action Plan 2024-2026: Our climate action strategy drives activity across the business with defined executive accountability to achieve our public commitments. The plan delivers actions toward four outcomes:

- A climate integrated business: Effective and integrated risk management and opportunity realisation throughout our business.
- Climate resilient customers and communities: Build preparedness for physical and transitional impacts in the communities we serve.
- Reduced emissions and natural impact: Real-world reductions in emissions and impacts on nature – in our business and with our customers.
- Trust: Continue to grow trust through governance, authentic engagement and transparent disclosure.

5 About Bendigo and Adelaide Bank

5.3 Financial Information

The financial information of BEN presented in this Section (the “**Financial Information**”) comprises:

- the historical consolidated income statements for the half years ended 31 December 2023 and 31 December 2022, and the full years ended 30 June 2023 and 30 June 2022, as set out in Section 5.3.1; and
- the historical consolidated balance sheet as at 31 December 2023 as set out in Section 5.3.2, (together, the “**Historical Financial Information**”); and
- pro-forma historical consolidated balance sheet as at 31 December 2023 as set out in Section 5.3.2 (the “**Pro Forma Historical Financial Information**”).

Unless otherwise stated, the Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in the Australian Accounting Standards as well as AASB 134 *Interim Financial Reporting* in respect of the half year financial information. The Historical Financial Information for the half years ended 31 December 2023 and 31 December 2022 presented in this Section has been derived from the half year results of BEN, including comparative information, for the half year ended 31 December 2023. The Historical Financial Information for the full years ended 30 June 2023 and 30 June 2022 presented in this Section has been derived from the annual report of BEN, including comparative information, for the financial year ended 30 June 2023.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards other than it includes adjustments, as described in Section 5.3.2 of this Prospectus, which have been prepared in a manner consistent with Australian Accounting Standards that reflect the impact of certain transactions as if they had occurred as at 31 December 2023.

The Financial Information is in abbreviated form and does not contain all of the disclosures usually provided in an annual financial report prepared in accordance with the Corporations Act.

Detailed information on significant accounting policies applied in preparing the Historical Financial Information and other material information can be found in BEN’s most recent audited annual financial reports.

BEN is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These include continuous disclosure obligations.

Copies of BEN’s most recent half year results for the half year ended 31 December 2023 and its annual financial report for the financial year ended 30 June 2023 are available from the Investor Centre at www.bendigoadelaide.com.au/investor-centre and www.asx.com.au.

It is recommended that the half year results and annual financial report be read in conjunction with any announcements made by BEN and its controlled entities since the release of the half year results on 19 February 2024 in accordance with its continuous disclosure obligations which can be found at www.asx.com.au.

5 About Bendigo and Adelaide Bank

5.3 Financial Information *continued*

5.3.1 Historical consolidated income statements

The following table is derived from BEN's audited or reviewed historical consolidated income statements for the half years ended 31 December 2023 and 31 December 2022, and the financial years ended 30 June 2023 and 30 June 2022.

	Consolidated			
	31 Dec 2023 6 months \$m	30 Jun 2023 12 months \$m	31 Dec 2022 6 months \$m	30 Jun 2022 12 months \$m
Income				
Net interest income				
Interest income	2,320.1	3,406.8	1,495.1	1,745.3
Interest expense	(1,522.1)	(1,766.0)	(687.9)	(332.5)
Total net interest income	798.0	1,640.8	807.2	1,412.8
Other revenue				
Fees	66.7	129.7	61.6	130.8
Commissions and management fees	30.7	64.0	32.8	57.8
Other income	135.3	85.8	(0.7)	94.2
Total other revenue	232.7	279.5	93.7	282.8
Total income	1,030.7	1,920.3	900.9	1,695.6
Expenses				
Credit expenses	(12.2)	(36.1)	(6.4)	23.4
Bad and doubtful debts recovered	1.4	2.5	0.8	3.8
Total credit expenses	(10.8)	(33.6)	(5.6)	27.2
Operating expenses				
Staff and related costs	(343.1)	(656.7)	(312.5)	(604.1)
Occupancy costs	(17.9)	(35.9)	(17.7)	(35.7)
Amortisation and depreciation costs	(52.1)	(93.9)	(51.9)	(90.9)
Fees and commissions	(9.8)	(23.6)	(12.6)	(22.5)
Other operating expenses	(183.5)	(351.8)	(136.7)	(268.2)
Total operating expenses	(606.4)	(1,161.9)	(531.4)	(1,021.4)
Profit before income tax expense	413.5	724.8	363.9	701.4
Income tax expense	(131.2)	(227.8)	(114.9)	(213.3)
Net profit for the year	282.3	497.0	249.0	488.1
Per share information				
Basic earnings per ordinary share (cents per share)	49.9	87.9	44.1	87.5
Diluted earnings per ordinary share (cents per share)	44.9	79.2	39.6	77.6
Cash earnings per ordinary share (cents per share) ¹	47.4	102.1	52.2	89.8

For further information on BEN's financial performance for the half year ended 31 December 2023, it is recommended that BEN's annual financial report be read in conjunction with any announcements made by BEN and its controlled entities since the release of the half year results on 31 December 2023 in accordance with its continuous disclosure obligations which can be found at www.asx.com.au.

1. Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards. It is also not audited or reviewed in accordance with Australian Auditing Standards.

5 About Bendigo and Adelaide Bank

5.3 Financial Information *continued*

5.3.2 Historical and pro forma historical consolidated balance sheet as at 31 December 2023

The following table sets out the historical consolidated balance sheet of BEN as at 31 December 2023 (in the column headed 'Historical consolidated balance sheet as at 31 December 2023') and the unaudited pro forma historical consolidated balance sheet based on the pro forma adjustment that \$250 million is raised through the Offer less net issue costs of \$5.0 million, as if these transactions had occurred as at 31 December 2023.

	Historical consolidated balance sheet as at 31 Dec 2023 \$m	Pro forma adjustments related to the Offer \$m	Pro forma historical consolidated balance sheet as at 31 Dec 2023 \$m
Assets			
Cash and cash equivalents	4,783.3	245.0	5,028.3
Due from other financial institutions	219.5		219.5
Financial assets fair value through profit or loss (FVTPL)	18.3		18.3
Financial assets amortised cost	1,503.6		1,503.6
Financial assets fair value through other comprehensive income (FVOCI)	11,399.8		11,399.8
Income tax receivable	6.9		6.9
Derivatives	11.7		11.7
Net loans and other receivables	77,963.9		77,963.9
Investments accounted for using the equity method	11.1		11.1
Property, plant and equipment	154.4		154.4
Deferred tax assets	5.8		5.8
Investment property	1,106.6		1,106.6
Goodwill and other intangible assets	1,878.3		1,878.3
Other assets	466.9		466.9
Total Assets	99,530.1	245.0	99,775.1
Liabilities			
Due to other financial institutions	160.2		160.2
Deposits	78,655.8		78,655.8
Other borrowings	11,247.1		11,247.1
Derivatives	21.9		21.9
Provisions	112.8		112.8
Other payables	925.5		925.5
Loan capital ¹	1,397.8	245.0	1,642.8
Total Liabilities	92,521.1	245.0	92,766.1
Net Assets	7,009.0		7,009.0
Equity			
Share capital	5,243.0		5,243.0
Reserves	97.4		97.4
Retained earnings	1,668.6		1,668.6
Total Equity	7,009.0		7,009.0

Note: The adjustment to cash and cash equivalents assumes \$250 million of Capital Notes 2 are issued under the Offer with net issue costs of \$5.0 million. The proceeds of the Offer will be used to partially fund the redemption of \$321.6 million of CPS4. This adjustment does not take into account the effect of Eligible CPS4 Holders electing to participate in the Reinvestment Offer and reinvest the proceeds of their CPS4 in CN2. To the extent that Eligible CPS4 Holders elect to participate in the Reinvestment Offer, the net cash received by BEN under the Offer will be reduced.

1. CN2 will be classified as debt within the Balance Sheet and Distributions will be treated as interest expense in the Income Statement. CN2 will initially be measured at fair value and subsequently will be measured at amortised cost using the effective interest rate method. The transaction costs incurred in relation to the issuance will be capitalised and form part of the initial carrying value of the financial liability. These transaction costs will be recognised through interest expense using the effective interest method from the date of issue.

5 About Bendigo and Adelaide Bank

5.4 Capital adequacy

5.4.1 Prudential requirements

APRA is the prudential regulator of the Australian financial services industry. It oversees credit unions, building societies, general insurance and reinsurance companies, life insurers, private health insurers, friendly societies, most members of the superannuation industry, and ADIs. BEN is regulated by APRA because of its status as an ADI.

APRA's Prudential Standards set out minimum capital and risk management requirements which are designed to ensure that, under all reasonable circumstances, financial promises made by the institutions it supervises (including BEN) are met within a stable, efficient and competitive financial system.

APRA's risk-based capital adequacy guidelines are generally consistent with the International Regulatory Framework for Banks, also known as Basel III, issued by the Basel Committee on Banking Supervision, except where APRA has exercised certain discretions.

APRA applies a tiered approach to measuring BEN's capital adequacy by assessing financial strength at two levels:

- Level 1 includes Bendigo and Adelaide Bank Limited and certain controlled entities that meet the APRA definition of extended licensed entities; and
- Level 2 consists of the consolidated group, excluding non-controlled subsidiaries and subsidiaries involved in insurance, funds management, non-financial operations and securitisation special purpose vehicles.

The effect of the Offer on BEN's capital adequacy ratio is set out in Section 5.4.6.

5.4.2 Prudential capital classification

APRA measures an ADI's regulatory capital using three regulatory measures, being Common Equity Tier 1 Capital ("**CET1 Capital**"), Tier 1 Capital and Total Capital.

CET1 Capital comprises the highest quality components of capital that consists of paid-up share capital, retained profits and certain reserves, less the deduction of certain intangible assets, capitalised expenses and software, and investments and retained profits in insurance and funds management subsidiaries that are not consolidated for capital adequacy purposes and certain other adjustments. The ratio of such capital to risk weighted assets is called the CET1 Capital Ratio.

Tier 1 Capital is comprised of CET1 Capital and Additional Tier 1 Capital. Additional Tier 1 Capital comprises high quality components of capital that consists of certain securities not included in CET1 Capital, but which include loss absorbing characteristics, such as Capital Notes and Capital Notes 2. The ratio of such capital to risk weighted assets is called the Tier 1 Capital Ratio.

Total Capital is comprised of Tier 1 Capital and Tier 2 Capital. Tier 2 Capital includes other components of capital that, to varying degrees, fall short of the quality of Tier 1 Capital, but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses. The ratio of such capital to risk weighted assets is called the Total Capital ratio.

APRA has provided confirmation that Capital Notes 2 will, once issued, be eligible for inclusion in BEN's Additional Tier 1 Capital under APRA's Prudential Standard APS 111.

5.4.3 Minimum capital requirements

APRA's revised capital framework became effective from 1 January 2023 and included updated Prudential Standards for capital adequacy and credit risk capital. The Prudential Standards require standardised Australian banks (including BEN) to maintain minimum capital ratios of at least 4.5% CET1 Capital, 6% Tier 1 Capital and 8% Total Capital. The total of these minimum requirements is called the prudential capital requirement ("**PCR**"). The PCR represents the regulatory minimum CET1 Capital, Tier 1 Capital and Total Capital that BEN is required to maintain at all times.

APRA also requires Australian banks to hold an additional CET1 Capital buffer above the PCR ("**Capital Buffer**").

From 1 January 2023, this consisted of:

- a capital conservation buffer ("**CCB**") of 2.5%; and
- a 1% countercyclical capital buffer ("**CCyB**"). APRA has the discretion to increase or decrease the CCyB down to 0% or up to 3.5% (for example, where APRA determines excess credit growth is associated with a build-up of system wide risk).

This brings the total regulatory minimum requirements for standardised banks such as BEN to 8% for CET1 Capital, 9.5% for Tier 1 Capital and 11.5% for Total Capital. APRA may also require ADIs to maintain minimum prudential capital ratios above the prescribed minimum ratios which may not be disclosed. References to the minimum requirements applicable under APRA's Prudential Standards are to the general minimums applying under APRA's ADI framework for standardised banks, rather than the specific minimums applying to BEN.

5 About Bendigo and Adelaide Bank

5.4 Capital adequacy *continued*

Restrictions on the distribution of earnings, including payment of ordinary share dividends, discretionary staff bonuses and Additional Tier 1 Capital distributions apply when an ADI's CET1 Capital Ratio falls within the Capital Buffer. The percentage of earnings able to be used for discretionary payments depends on whether the ADI's CET1 Capital Ratio, calculated on both a Level 1 and Level 2 basis, is above the Capital Buffer or has fallen into the Capital Buffer as outlined in the table below:

CET1 Ratio	Range ¹	Maximum Distributable Amount
Above top of Capital Buffer	>PCR+3.5%	100%
4th Quartile	< or = PCR +3.5%	60%
3rd Quartile	< or = PCR +2.625%	40%
2nd Quartile	< or = PCR +1.75%	20%
1st Quartile	< or = PCR +0.875%	0%

Tier 1 securities (such as Capital Notes 2) must include a Capital Trigger Event. A Capital Trigger Event will occur if BEN determines, or APRA notifies BEN in writing that it believes, that either or both of the BEN Level 1 Group Common Equity Tier 1 Capital Ratio or the BEN Level 2 Group Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%. (see Section 6.1.15.1). If a Capital Trigger Event occurs, BEN must immediately Exchange such number of CN2 (or a percentage of the Face Value of each CN2) to return either or both of the capital ratios, as the case may be, to above 5.125%.

5.4.4 Capital management strategy

BEN seeks to maintain a conservative and prudent capital base that adequately supports the risks being taken through the normal operation of the business. This includes providing for effective and efficient capital buffers to protect depositors and investors, and allowing the business to grow. The capital management strategy also plans and manages for changes in business conditions, through normal business cycles, regulatory and legislative change and through mergers and acquisitions. The capital management strategy is designed to ensure that minimum capital standards are met, and that management is afforded the greatest flexibility in pursuing its business objectives.

5.4.5 Regulatory developments

APRA Discussion Paper on Additional Tier 1 Capital

In September 2023, APRA released a discussion paper titled "*Discussion paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia*" ("**APRA Discussion Paper**") to explore options for, and seek feedback from stakeholders on, improving the effectiveness of Additional Tier 1 Capital in Australia.

Potential options raised by APRA in the discussion paper include:

- improving key design features of Additional Tier 1 Capital instruments (including potentially increasing capital trigger event threshold requirements from the current 5.125% to a higher level) to ensure they more effectively absorb losses and can be used earlier to stabilise a bank in stress;
- changes to the level or mix of regulatory capital requirements; and
- changes to diversify the investor base for Additional Tier 1 Capital instruments in Australia away from domestic retail investors.

APRA has sought initial feedback on a number of discussion questions including on the best policy options for improving the effectiveness of Additional Tier 1 Capital to support resilience, the potential impact of those options, what transition arrangements could soften those impacts and on any other considerations or options that APRA should take into account.

Following initial feedback and discussions with stakeholders, APRA expects to undertake a formal consultation process in 2024 on any proposed amendments to the Prudential Standards. Until a formal consultation paper outlining APRA's final proposed options for changes to Additional Tier 1 Capital instruments is released, it is not possible to determine what impact (if any) those options may have on CN2. APRA expects that there would be transition time to enable issuers to adjust to any new requirements, including transition time for existing Additional Tier 1 Capital instruments to be replaced to ensure an orderly adjustment.

See Section 6.1.20 in relation to risks associated with the uncertainty regarding any potential changes arising out of APRA's consultation, including the potential for any changes to impact the liquidity of CN2 and reinvestment opportunities, or to trigger a "Regulatory Event" under the Capital Notes 2 Terms.

1. Percentages are indicative based on the current Capital Buffer.

5 About Bendigo and Adelaide Bank

5.4 Capital adequacy *continued*

Resolution Planning

On 18 May 2023, APRA released its final Prudential Standard CPS 900 Resolution Planning (“**CPS 900**”), which aims to ensure that an APRA regulated entity can be managed by APRA in an orderly manner, where that entity is unable to meet its obligations or suspends, or is likely to suspend, payments. In such circumstances, the aim of the resolution is to protect beneficiaries, minimise disruption to the financial system, and provide continuity of functions that are critical for the economy. CPS900 came into effect on 1 January 2024.

Recovery and Exit Planning

On 1 December 2022, APRA released its final Prudential Standard CPS 190 Recovery and Exit Planning (“**CPS 190**”), which is aimed at reinforcing the resilience of the financial system. In particular, the new standard aims to ensure that APRA regulated entities are better prepared to manage periods of severe financial stress. CPS 190 came into effect on 1 January 2024.

5.4.6 Historical and pro forma historical consolidated capital adequacy position as at 31 December 2023

The following table sets out the unaudited historical consolidated capital adequacy position as at 31 December 2023 and the unaudited pro forma historical consolidated capital adequacy position based on the reviewed historical consolidated balance sheet of BEN as at 31 December 2023 and Basel III prudential requirements, adjusted as if the issue of \$250 million Capital Notes 2 and the redemption of \$321.6 million of CPS4 were completed as at that date.

	Historical consolidated capital adequacy position as at 31 Dec 2023 \$m	Pro forma adjustments related to the Offer and redemption of CPS4 \$m	Pro forma historical consolidated capital adequacy position as at 31 Dec 2023 \$m
Regulatory capital			
CET1 Capital	4,307.4	(4.9)	4,302.5
Additional Tier 1 Capital	824.1	(71.6)	752.5
Total Tier 1 Capital	5,131.5	(76.5)	5,055
Tier 2 Capital	881.8		881.8
Total Capital	6,013.3	(76.5)	5,936.8
Capital adequacy ratios			
CET1 Capital Ratio	11.23%	(0.01%)	11.22%
Additional Tier 1 Capital Ratio	2.15%	(0.19%)	1.96%
Total Tier 1 Capital Ratio	13.38%	(0.20%)	13.18%
Tier 2 Capital Ratio	2.30%		2.30%
Total Capital Ratio	15.68%	(0.20%)	15.48%

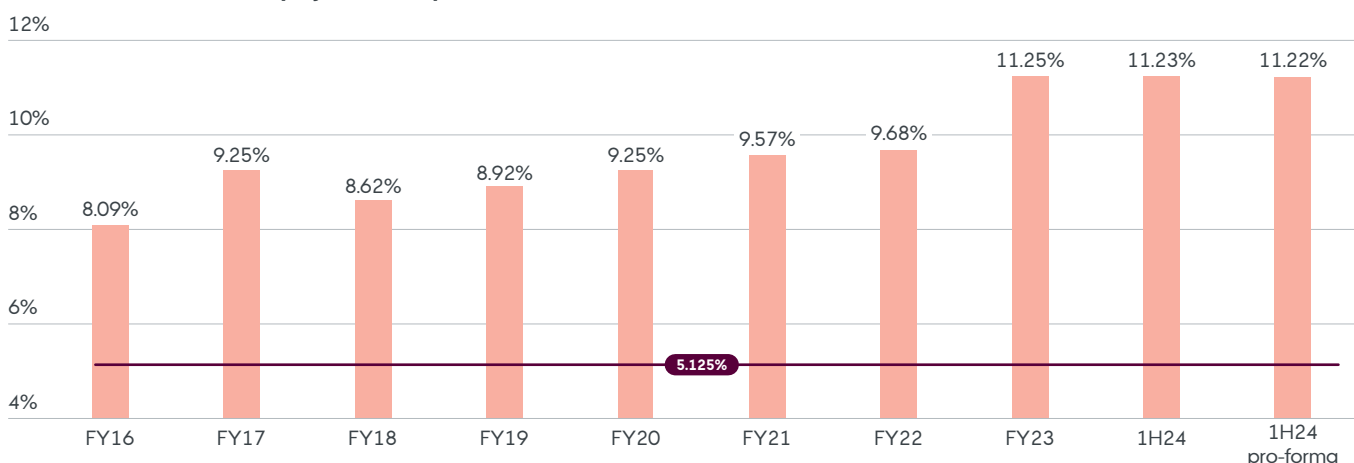
5 About Bendigo and Adelaide Bank

5.4 Capital adequacy *continued*

5.4.7 BEN's Level 2 Common Equity Tier 1 Capital Ratio

- BEN's Level 2 Common Equity Tier 1 Capital Ratio as at 31 December 2023 on a Basel III basis was 11.23%.
- A Common Equity Tier 1 Capital Ratio of 11.23% implies \$2,341 million of Common Equity Tier 1 Capital above the Capital Trigger Event Common Equity Tier 1 Capital Ratio level of 5.125% as at 31 December 2023.
- The graph below illustrates BEN's historical Common Equity Tier 1 Capital Ratio under APRA's relevant prudential standards.

BEN's Level 2 Common Equity Tier 1 Capital Ratio



5.5 Funding and liquidity approach

BEN's principal source of funding is customer deposits which represented 74.9% of BEN's total liabilities as at 31 December 2023 (31 December 2022: 73.9%). BEN's customer deposits are primarily term and savings deposits and transaction deposit accounts, sourced predominantly through its retail network.

BEN accesses wholesale funding markets to support its core customer deposit funding strategy and provide greater diversification of funding sources by counterparty, product and duration. Wholesale funding represented 25.1% of total funding as at 31 December 2023 (31 December 2022: 26.1%).

Liquidity risk is the risk that BEN is unable to meet its payment obligations as they fall due, including repaying depositors, or maturing wholesale debt, or that BEN has insufficient capacity to fund increases in assets. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows.

BEN's Group Treasury team is responsible for implementing liquidity risk management strategies in accordance with approved policies and adherence is monitored by BEN's Asset and Liability Management Committee ("ALMAC") and the Board Financial Risk Committee. This includes maintaining prudent levels of liquid asset reserves and a diverse range of funding options.

Liquidity scenarios are calculated under stressed and normal operating conditions to assist in anticipating cash flow needs and providing adequate reserves.

BEN maintains a diverse portfolio of marketable securities that can be liquidated in the event of unforeseen cash flow requirements. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to BEN. Liquid assets primarily consist of cash, balances held in BEN's Exchange Settlement Account with the Reserve Bank of Australia, Australian Commonwealth government securities and State government securities.

BEN is subject to Prudential Standard APS 210 governing the regulatory requirements of prudent liquidity risk management. From 1 January 2015, APRA adopted the Basel III liquidity requirement of compliance with a liquidity coverage ratio ("LCR"). BEN is designated as a LCR scenario bank. BEN's average LCR for the December quarter was 151% (September 2023 quarter average: 149%).

6 Investment risks

This Section describes some of the potential risks associated with an investment in Capital Notes 2 and in BEN.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. There is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge. Before applying for Capital Notes 2, you should consider whether Capital Notes 2 are a suitable investment for you. There are risks associated with an investment in Capital Notes 2 and in BEN, many of which are outside the control of BEN and its directors. These risks include those in this Section and other matters referred to in this Prospectus.

CAUTION – Capital Notes 2 are not deposit liabilities of Bendigo and Adelaide Bank Limited, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with Capital Notes 2 could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should not invest in them.

6.1 Risks associated with investing in Capital Notes 2

6.1.1 Not deposit liabilities or protected accounts under the Banking Act or Financial Claims Scheme

CN2 are not:

- deposit liabilities of BEN, or any other member of the BEN Group;
- protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act; or
- obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person.

The investment performance of CN2 is not guaranteed by BEN, any other member of the BEN Group or any other person.

6.1.2 Market price of Capital Notes 2

BEN will apply for quotation of CN2 on ASX, but BEN is unable to forecast the market price and liquidity of the market for CN2. CN2 may experience market price volatility more or less than Ordinary Shares. The market price of CN2 may fluctuate due to various factors, including:

- Australian and international general conditions (including inflation rates, interest rates and currency exchange rates);
- changes in government policy, regulatory policy and impacts of regulatory change (including intervention by ASIC in the market for CN2 or similar securities or potential changes to the Prudential Standards pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 and described in Section 5.4.5);
- changes in the laws relating to the taxation treatment of CN2 (including the availability of franking);
- the expressed views of regulators, investor sentiment and general market movements, which may or may not have an impact on BEN's actual operating performance;
- movements in the market price of Ordinary Shares or senior or subordinated debt;
- geopolitical instability, such as hostilities and tensions, and acts of terrorism;
- the occurrence of or increase in the likelihood of the occurrence of one or more Distributions not being paid, a Capital Trigger Event or a Non-Viability Trigger Event;
- the impact of pandemics, such as COVID-19, on global, regional and national economies and markets;
- BEN's financial performance and position; and
- other factors that may affect that performance and position.

CN2 may trade at a market price below the Issue Price. There is no guarantee that CN2 will remain continuously quoted on ASX.

You should carefully consider this additional volatility risk before deciding whether to make an investment in CN2.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.3 Liquidity

Although BEN intends to have CN2 quoted on ASX, there is no guarantee that a liquid market will develop for CN2. The market for CN2 may be less liquid than the market for Ordinary Shares or comparable securities issued by BEN or other entities and may be volatile. The market price of CN2 is likely to fluctuate and, if Holders wish to sell or otherwise transfer their CN2, they may be unable to do so at a price acceptable to them, or at all, if insufficient liquidity exists in the market for CN2.

The liquidity of the market for CN2 may be impacted by a number of factors, including changes in law such as the DDO Laws that came into force in October 2021 (see the “Design and distribution obligations” section at the front of this Prospectus) or as a result of potential changes to the Prudential Standards pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 (see Section 5.4.5). The impact of those obligations or potential changes may affect the liquidity of funding instruments (including Additional Tier 1 Capital securities such as CN2) if they lead to a change in the investor base or a material reduction in future issuance volumes, reinvestment opportunities or secondary market trading activity.

CN2 are expected to be Exchanged for Ordinary Shares on 13 September 2033 (subject to certain conditions being satisfied) unless CN2 are otherwise Exchanged, Redeemed, Resold or Written Off on or before that date. Where CN2 are Exchanged, there may be no liquid market for Ordinary Shares at the time of Exchange or the market for Ordinary Shares may be less liquid than that for comparable securities issued by other entities at the time of Exchange.

In addition, there is no guarantee that CN2 or Ordinary Shares will remain continuously quoted on ASX. Trading of ASX listed securities may be suspended in certain circumstances.

6.1.4 Exposure to BEN Group’s financial performance and position

If the BEN Group’s financial performance or position declines, or if market participants anticipate that it may decline, an investment in CN2 could decline in value even if CN2 have not been Exchanged. Accordingly, when you evaluate whether to invest in CN2 you should carefully evaluate the investment risks associated with an investment in BEN – see Section 6.2.

6.1.5 Changes in Distribution Rate

The Distribution Rate used to calculate the Distributions payable on CN2 is based on a floating rate plus a fixed Margin, adjusted for BEN’s Tax Rate.

The Distribution Rate is calculated for each Distribution Period by reference to the Market Rate, which is influenced by a number of factors and varies over time. The Distribution Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Market Rate – see Sections 2.3.2 and 2.3.3. Changes in the corporate tax rate will also affect the Distribution Rate.

As the Distribution Rate fluctuates, there is a risk that it may become less attractive when compared to the rates of return available on comparable securities issued by BEN or other entities. Neither BEN nor any other person guarantees any particular rate of return on CN2.

6.1.6 Distributions may not be paid

There is a risk that Distributions will not be paid. The Capital Notes 2 Terms do not oblige BEN to pay Distributions.

The payment of a Distribution is subject to:

- the Directors, in their absolute discretion, resolving to pay the Distribution to Holders;
- the payment of the Distribution not resulting in a breach of BEN’s capital requirements under APRA’s Prudential Standards as they are applied to the BEN Level 1 Group or the BEN Level 2 Group or both at the time of the payment, or of the Corporations Act;
- the payment of the Distribution not resulting in BEN becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and
- APRA not otherwise objecting to the payment of the Distribution.

The Capital Notes 2 Terms contain no events of default and accordingly, failure to pay a Distribution when scheduled will not constitute an event of default. Further, if BEN does not pay a Distribution when scheduled, a Holder:

- has no right to apply for BEN to be wound up or placed in administration, or to cause a receiver, or a receiver and manager, to be appointed in respect of BEN merely on the grounds that BEN does not or may become unable to pay a Distribution when scheduled; and
- will not be entitled to set-off the amount of the unpaid Distribution against any amount of any nature owed by the Holder to BEN (including but not limited to any amount due on a winding-up of BEN).

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

CN2 rank in respect of payment of Distributions:

- senior to Ordinary Shares;
- equally and without preference among CN2; and
- equally with all Equal Ranking Securities and other securities and instruments that BEN has or may issue that by their terms rank equally with respect to priority of payment in a winding up of BEN.

Distributions are non-cumulative and therefore if a Distribution is not paid Holders will have no recourse whatsoever to payment from BEN and will not receive payment of those Distributions.

However, if BEN does not pay a Distribution in full on a Distribution Payment Date, then BEN is unable (without the approval of a Special Resolution) to undertake Restricted Actions (being actions to declare, determine or pay a dividend, or return any capital or undertake any buy-backs or repurchases, in relation to any Ordinary Shares), subject to certain exceptions, unless the Distribution is paid in full within five Business Days of that date.

Changes in regulations applicable to BEN may impose additional requirements which prevent BEN from paying a Distribution in additional circumstances, including the capital conservation buffer, which restricts the payment of Distributions when BEN's regulatory capital levels fall below a certain level.

6.1.7 Distributions may not be fully franked, and entitlement to franking credits

BEN expects Distributions to be fully franked. However, there is no guarantee that BEN will have sufficient franking credits in the future to fully frank Distributions.

If any Distribution payment is unfranked or not fully franked, then Holders will be entitled to an additional cash payment, reflecting the fact that the Distribution payment has been paid out of profits which have not been subject to tax. The value and availability of franking credits to a Holder will differ depending on the Holder's particular tax circumstances. Holders should be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Distribution. Holders should also be aware that the ability to use the franking credits, either as an offset to a tax liability or by claiming a refund after the end of the income year, will depend on the individual tax position of each Holder.

In addition, as set out in the Australian taxation summary in Section 7, there is a provision of current Australian taxation law which would operate to deny Holders the benefit of franking credits on their Distributions if those Distributions give rise to a tax deduction for BEN in a foreign jurisdiction. The Distributions paid on CN2 should not give rise to any such foreign income tax deductions.

Holders should also refer to the Australian taxation summary in Section 7 and seek professional advice in relation to their tax position.

6.1.8 Distribution payments on Capital Notes 2 may be restricted by the terms of similar securities

The terms of BEN's other outstanding and future securities could limit its ability to make payments on CN2. If BEN does not make payments on other securities, payments may not be permitted to be made in respect of CN2. The dividend or distribution payment dates on BEN's other securities may differ from the Distribution Payment Dates for CN2. Further, the payment tests applying to other securities (whether currently outstanding or issued in the future) may be different to CN2. Accordingly, BEN may not be permitted to make a payment on another security in circumstances where it would otherwise be permitted to make a payment on CN2. In these circumstances, the distribution restrictions on the other securities may then apply, preventing BEN from making a payment on CN2. Similarly, BEN may not be permitted to make a payment on CN2 in circumstances where the payment tests on other securities have been passed.

If distribution restrictions for another security apply to payments on CN2, BEN may not be able to pay Distributions when scheduled to do so under the Capital Notes 2 Terms. BEN is not restricted from issuing other securities of this kind or agreeing in the terms of issue of other securities additional or different payment tests or distribution or dividend restrictions.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.9 The dividend and capital restriction applies in limited circumstances

The dividend and capital restrictions that apply if BEN fails to pay a Distribution in full on a Distribution Payment Date apply only to the payment of dividends and the undertaking of certain capital activities (such as returns of capital and buy-backs) in respect of Ordinary Shares. They do not apply to restrict the payment of dividends or the undertaking of such capital activities in respect of securities ranking equally with or junior to CN2 (other than Ordinary Shares). Accordingly, a failure to make a scheduled payment on CN2 may not restrict the making of payments in respect of Equal Ranking Securities or instruments that may in the future rank equally with CN2. Further, the restriction on CN2 only applies until, and including, the payment of a Distribution in full on the next Distribution Payment Date or if all CN2 have been Exchanged, Redeemed or Written Off. The dates for dividend payments with respect to Ordinary Shares are determined by BEN in its discretion and do not bear a fixed relationship to the Distribution Payment Dates for CN2. Accordingly, as soon as the dividend restriction ceases to apply (as will be the case if the next scheduled Distribution on CN2 is paid or all CN2 have been Exchanged, Redeemed or Written Off) BEN will not be restricted from paying a dividend on its Ordinary Shares.

Where a Partial Successor is substituted in connection with a NOHC Event as the issuer of Ordinary Shares on Exchange, there is no restriction on the Partial Successor declaring, determining to pay or paying a dividend on, or buying back or reducing capital on, its ordinary shares if BEN does not pay a Distribution on CN2. Where a Full Successor is substituted in connection with a NOHC Event, the restriction on BEN undertaking Restricted Actions will apply to the Full Successor as if it was BEN.

6.1.10 Fluctuation in Ordinary Share price

The number of Ordinary Shares that Holders receive on Exchange is calculated by reference to a VWAP for Ordinary Shares during a period before Exchange. The VWAP during the relevant period before Exchange may differ from the market price for Ordinary Shares on or after the date of Exchange. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter.

In particular, on Exchange, other than Exchange resulting from a Capital Trigger Event or a Non-Viability Trigger Event (see Section 2.6), Holders will receive approximately \$101.01 worth of Ordinary Shares per CN2 (based on the VWAP during the 20 Business Days before the relevant Exchange Date or a specified period prior to such other date on which CN2 are Exchanged, and, as regards the Maximum Exchange Number, the VWAP during the 20 Business days before the Issue Date).

The market price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and worldwide economic conditions, interest rates, credit margins, equity markets, movements in foreign exchange rates, BEN's financial performance and position and other factors that may affect that performance and position (see, for example, the risk factors in Section 6.2), and may also be affected by the actual or prospective Exchange of CN2 – see Sections 2.4 to 2.7.

As a result, the value of Ordinary Shares received upon Exchange may be greater than or less than \$101.01 per CN2 when they are issued or at any time after that, and could be less than the Issue Price. Holders receiving Ordinary Shares on Exchange may not be able to sell those Ordinary Shares at the price on which the Exchange calculation was based, or at all. In relation to Exchange on account of a Capital Trigger Event or Non-Viability Trigger Event – see further detail in Section 2.6.

The Ordinary Shares held as a result of any Exchange will, following Exchange, rank equally with existing Ordinary Shares. Accordingly, the ongoing value of any Ordinary Shares received upon Exchange will depend upon the market price of Ordinary Shares after the date on which CN2 are Exchanged. That market price is also subject to the factors outlined above and may also be volatile depending on the conditions at that time.

BEN Ordinary Share Price from February 2014 to February 2024



6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.11 Capital Notes 2 are perpetual and Mandatory Exchange may not occur on the Scheduled Mandatory Exchange Date or at all

CN2 are scheduled to Exchange into Ordinary Shares on 13 September 2033 (subject to certain conditions being satisfied or unless Exchanged, Redeemed, Resold or Written Off earlier). However, there is a risk that Exchange will not occur because the Mandatory Exchange Conditions are not satisfied due to a large fall in the Ordinary Share price relative to the Issue Date VWAP, or where Ordinary Shares have been Delisted.

The Ordinary Share price may be affected by transactions affecting the Ordinary Share capital of BEN, such as rights issues, placements, returns of capital, certain buy-backs and other corporate actions. However, the Issue Date VWAP is adjusted only for transactions by way of pro rata bonus issues and a certain types of capital reconstructions of Ordinary Shares as described in clauses 9.5 and 9.6 of the Capital Notes 2 Terms and not for other transactions, including rights issues, placements, returns of capital, buy-backs or special dividends.

The Capital Notes 2 Terms do not limit the transactions which BEN may undertake with respect to its Ordinary Share capital (other than to the extent that the Capital Notes 2 Terms restrict BEN from undertaking Restricted Actions) and any such action may affect whether Exchange will occur and the Exchange Number of Ordinary Shares and may adversely affect the position of Holders.

If Exchange does not occur on the Scheduled Mandatory Exchange Date, Exchange would then occur on the first Distribution Payment Date after the Scheduled Mandatory Exchange Date on which all of the Mandatory Exchange Conditions are satisfied unless CN2 are otherwise Exchanged or Redeemed on or before that date. If Exchange does not occur on a possible Mandatory Exchange Date and CN2 are not otherwise Exchanged or Redeemed, Distributions may continue to be paid on CN2.

CN2 are a perpetual instrument. If the Ordinary Share price deteriorates significantly and never recovers, it is possible that the Mandatory Exchange Conditions will never be satisfied and, if this occurs, unless CN2 are otherwise Exchanged (see Section 6.1.12 below), CN2 will never Exchange except as a result of a Capital Trigger Event or a Non-Viability Trigger Event.

6.1.12 Exchange, Redemption and Resale are at BEN's option

BEN may (subject to APRA's prior written approval) elect to Exchange, Redeem or Resell some or all CN2 on a Call Date or following the occurrence of a Franking Event, a Tax Event or a Regulatory Event. In addition, BEN must (subject to certain conditions) Exchange all (but not some) CN2 on the occurrence of a Change of Control Event. Holders have no right to request an Exchange, Redemption or Resale.

Any Exchange, Redemption or Resale at BEN's option may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to CN2 (such as Distributions) is unknown.

Subject to certain conditions, BEN also has in many cases discretion to elect whether to Exchange, Resell or Redeem CN2 or whether a combination of methods will apply and where a combination of methods is selected, to which CN2 and Holders the method will apply. The method chosen by BEN may be disadvantageous to Holders and may not coincide with their individual preference in terms of whether they receive Ordinary Shares or cash on the relevant date.

For example, if APRA approves an election by BEN to Redeem CN2, Holders will receive cash equal to \$100 per CN2 rather than Ordinary Shares and accordingly, they would not benefit from any subsequent increases in the Ordinary Share price after the Redemption occurs. In addition, where Holders receive cash on Redemption, the rate of return at which they could reinvest their funds may be lower than the Distribution Rate at the time. Where Holders receive Ordinary Shares on Exchange, they will have the same rights as other holders of Ordinary Shares, which are different to the rights attaching to CN2.

Further, where BEN requires APRA's prior written approval for Exchange, Redemption or Resale, Holders should not expect that APRA will give its approval to any Exchange, Redemption or Resale.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.13 Exchange, Redemption or Resale by BEN is subject to certain events occurring

If BEN elects to Exchange, Redeem or Resell CN2, APRA's prior written approval is required. Holders should not expect that APRA will give its approval to any Exchange, Redemption or Resale.

The optional Exchange of CN2 is subject to the level of the Ordinary Share price on the second Business Day before the date on which an Optional Exchange Notice is expected to be sent by BEN (or if trading in Ordinary Shares did not occur on that date, the Business Day prior to that date on which trading in Ordinary Shares occurred). If the VWAP on that date is less than or equal to 22.20% of the Issue Date VWAP, BEN is not permitted to choose to Exchange CN2. Also, if Ordinary Shares have been Delisted as at the Non-Exchange Test Date, BEN is not permitted to choose to Exchange CN2.

Once BEN has elected to Exchange CN2 by giving an Optional Exchange Notice, the conditions to Exchange on the Exchange Date are that the Second Mandatory Exchange Condition (applied as if it referred to 20.20% of the Issue Date VWAP) and the Third Mandatory Exchange Condition must both be satisfied in respect of the Exchange Date as if the Exchange Date were a possible Mandatory Exchange Date.

If the requirements for Exchange on the Exchange Date are not satisfied, BEN will notify Holders and the Exchange will be deferred until the first Distribution Payment Date on which the Mandatory Exchange Conditions (applied as if the percentage of the Issue Date VWAP was 22.20% for the First Mandatory Exchange Condition and 20.20% for the Second Mandatory Exchange Condition) would be satisfied if that Distribution Payment Date were a possible Mandatory Exchange Date.

The choice of Redemption as the method is subject to the condition that APRA is satisfied that either:

- CN2, the subject of the Redemption, are replaced concurrently or beforehand with a capital instrument of the same or better quality than CN2 and the replacement of CN2 is done under conditions that are sustainable for BEN's income capacity; or
- having regard to the projected capital position of BEN Level 1 Group and the BEN Level 2 Group, that BEN does not have to replace CN2, the subject of the Redemption.

APRA has recently reinforced existing prudential requirements and its expectations for regulated entities (such as BEN) seeking APRA's approval to redeem capital instruments (such as CN2). This includes the requirement that a capital instrument should not be redeemed and replaced with one that has a higher credit spread or that is otherwise more expensive unless BEN has satisfied APRA as to the economic and prudential rationale for redeeming the capital instrument and the redemption does not create an expectation that other capital instruments will be redeemed in similar circumstances. APRA's expectations and the applicable Prudential Standards may affect the ability of BEN to elect to Redeem CN2 early. The matters to which APRA may have regard in considering whether to give its approval are not limited and may change.

BEN is not permitted to elect to Redeem or Resell CN2 on account of a Change of Control Event.

6.1.14 Exchange conditions

The only conditions to Exchange are, in the case of Mandatory Exchange, the Mandatory Exchange Conditions and, in the case of Exchange following a Change of Control Event, a Franking Event, a Tax Event, a Regulatory Event or on a Call Date, the conditions expressly applicable to such Exchange under clauses 3.2, 4.7, 6.4, and 6.5 of the Capital Notes 2 Terms. No other conditions will affect the Exchange except as expressly provided by Terms.

Although one condition to Exchange is that Ordinary Shares have not been Delisted, other events and conditions may affect the ability of Holders to trade or dispose of the Ordinary Shares issued on Exchange – e.g. the willingness or ability of ASX to accept the Ordinary Shares issued on Exchange for quotation or any practical issues which affect that quotation, any disruption to the market for the Ordinary Shares or to capital markets generally, the availability of purchasers for Ordinary Shares and any costs or practicalities associated with trading or disposing of Ordinary Shares at that time.

Further, as outlined in Section 2.6, Exchange following a Capital Trigger Event or a Non-Viability Trigger Event is not subject to any conditions.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.15 Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event

Unless Redeemed, Written Off or Exchanged earlier, BEN must immediately Exchange CN2 for Ordinary Shares if at any time a Capital Trigger Event or a Non-Viability Trigger Event occurs. This could be at any time. Accordingly, any Exchange on account of a Capital Trigger Event or a Non-Viability Trigger Event may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing.

A Capital Trigger Event occurs when BEN determines, or APRA notifies BEN in writing that it believes, that either or both the BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%.

A Non-Viability Trigger Event occurs when APRA notifies BEN in writing that it considers:

- Exchange of all or some CN2, or exchange, conversion or write down of other capital instruments of the BEN Group, is necessary because, without it, BEN would become non-viable; or
- without a public sector injection of capital, or equivalent support, BEN would become non-viable.

A Capital Trigger Event or a Non-Viability Trigger Event may require Exchange of all CN2 or such lesser number as is needed to remedy that event.

However, if a Non-Viability Trigger Event occurs as a result of APRA deeming that a public sector injection of capital, or equivalent support, into BEN is necessary, all (and not only some) CN2 must be immediately Exchanged for Ordinary Shares.

If less than all CN2 and other Relevant Securities are required to be exchanged, BEN must determine which CN2 will Exchange and in doing so must endeavour to treat Holders and holders of other Relevant Securities on a pro-rata basis or in a manner that is otherwise in the opinion of BEN, fair and reasonable, subject to such adjustments as BEN may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any CN2 or other Relevant Securities remaining on issue. Accordingly, should a Capital Trigger Event or a Non-Viability Trigger Event occur and only some of CN2 are required to be Exchanged, not all Holders may have their CN2 Exchanged into Ordinary Shares.

6.1.15.1 Capital Trigger Event

The BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio may be significantly impacted by a number of factors, including factors which affect the business, operation and financial performance and position of BEN. Accordingly, there is a risk that BEN's Level 1 Common Equity Tier 1 Capital Ratio or BEN's Level 2 Common Equity Tier 1 Capital Ratio will fall to 5.125% or below and that as a result, CN2 will Exchange into Ordinary Shares before the Scheduled Mandatory Exchange Date.

6.1.15.2 Non-Viability Trigger Event

The circumstances in which APRA may exercise its discretion are not limited to when APRA may have a concern about a bank's capital levels but may also include when APRA has a concern about a bank's funding and liquidity levels or any other matters affecting a bank's viability.

APRA has not provided specific guidance as to how it would determine non-viability. However, APRA has indicated that non-viability is likely to arise prior to insolvency. Non-viability could be expected to include serious impairment of BEN's financial position, concerns about its capital, funding or liquidity levels and/or insolvency or potential loss of investor and/or customer confidence with respect to BEN's overall financial resilience. However, it is possible that APRA's definition of non-viable may not necessarily be confined to these matters and APRA's position on these matters may change over time. As the occurrence of a Non-Viability Trigger Event is at the discretion of APRA, there can be no assurance given as to the factors and circumstances that might give rise to this event.

In addition, APRA has broad powers under Australian legislation (including but not limited to the Banking Act and the *Australian Prudential Regulation Authority Act 1998* (Cth)) with respect to the regulation of ADIs and instruments issued by ADIs such as CN2. For example, these powers could potentially be used, in appropriate circumstances, to invoke trigger event features (such as conversion and/or write-off) in instruments such as CN2. In these circumstances where Additional Tier 1 Capital instruments, such as CN2, are written-off, holders will likely be worse off than holders of Ordinary Shares.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

While there are currently no Australian precedents, there are international examples where a regulator and/or government authority has invoked trigger event features in bank hybrid instruments, leading to a conversion and/or write-off of such securities. For example, in March 2023, increasing investor and customer concerns relating to Credit Suisse's financial position led to a significant deposit outflow, which led the Swiss authorities to grant extraordinary liquidity support and a default guarantee. The Swiss Financial Market Supervisory Authority (also known as FINMA), the Swiss banking regulator, deemed this assistance to constitute "extraordinary government support" and, therefore, a "viability event" under the contractual terms of Credit Suisse's Additional Tier 1 Capital instruments and required that those Additional Tier 1 Capital instruments be written-off.

BEN's viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial performance and position of BEN. For instance, systemic and non-systemic macro-economic, environmental and operational factors, globally and in Australia, may affect the viability of BEN.

6.1.15.3 Effect of a Capital Trigger Event or a Non-Viability Trigger Event

If a Capital Trigger Event or a Non-Viability Trigger Event occurs:

- BEN must immediately Exchange all (or, if less than all CN2 are required to be Exchanged, some) CN2 on issue for the Exchange Number of Ordinary Shares for each CN2 required to be Exchanged;
- Exchange is immediate and, from the date of the occurrence of the Capital Trigger Event or the Non-Viability Trigger Event (as applicable), BEN will treat Holders as having been issued the Exchange Number of Ordinary Shares. BEN expects any ASX trades in CN2 that have not settled on the date a Capital Trigger Event or a Non-Viability Trigger Event occurs will continue to settle in accordance with the normal ASX settlement rules, although BEN expects the seller will be treated as having delivered, and the buyer will be treated as having acquired, the Exchange Number of Ordinary Shares into which CN2 have been Exchanged as a result of the occurrence of the Capital Trigger Event or the Non-Viability Trigger Event;
- BEN may make such decisions with respect to the identity of Holders as at the date of the occurrence of the Capital Trigger Event or the Non-Viability Trigger Event as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of CN2 that have not been settled or registered at that time and date, provided that any such decision does not prevent, impede or delay the immediate Exchange of the relevant number of CN2;
- Exchange is not subject to the Mandatory Exchange Conditions or any other conditions being satisfied;
- Holders will not receive prior notice of Exchange on account of a Capital Trigger Event or Non-Viability Trigger Event and will not have any rights to vote in respect of any such Exchange; and
- the Ordinary Shares issued on Exchange on account of a Capital Trigger Event or Non-Viability Trigger Event may not be quoted at the time of issue, or at all.

The number of Ordinary Shares a Holder will receive on Exchange following a Capital Trigger Event or a Non-Viability Trigger Event is calculated in accordance with the Exchange Number formula which provides for a calculation based on a discounted five Business Day VWAP but cannot be more than the Maximum Exchange Number. Accordingly, this may result in a Holder receiving significantly less than \$101.01 worth of Ordinary Shares per CN2 and suffering loss as a result. This is because:

- the number of Ordinary Shares is limited to the Maximum Exchange Number and this number of Ordinary Shares may have a value of less than \$101.01;
- where the number of shares to be issued is calculated by reference to the five Business Day VWAP, the VWAP during the five Business Days before the date of the Capital Trigger Event or the Non-Viability Trigger Event may differ from the Ordinary Share price on or after that date. In particular, if Ordinary Shares are suspended from ASX trading at the date on which the Capital Trigger Event or the Non-Viability Trigger Event occurs, the VWAP may be based wholly or partly on trading days which occurred a significant period of time prior to the date of the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event;
- the Ordinary Shares received on Exchange, as well as BEN's Ordinary Shares generally, may not be listed or may not be able to be sold at prices representing their value based on the VWAP; and
- as noted in Section 2.5.7, the Maximum Exchange Number may be adjusted to reflect certain types of capital reconstructions of Ordinary Shares or a pro rata bonus issue of Ordinary Shares. However, no adjustment will be made to it on account of other transactions which may affect the price of Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The Capital Notes 2 Terms do not limit the transactions that BEN may undertake with respect to its Ordinary Share capital (other than to the extent that the Capital Notes 2 Terms restrict BEN from undertaking Restricted Actions) and any such action may increase the risk that Holders receive only the Maximum Exchange Number and so may adversely affect the position of Holders.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.15.4 No further rights if Exchange cannot occur

If, following a Capital Trigger Event or a Non-Viability Trigger Event, Exchange of CN2 has not been effected within five Business Days after the Capital Trigger Event or Non-Viability Trigger Event (as applicable), then the relevant Holders' rights (including to payment of the Face Value and Distributions, and the right to receive Ordinary Shares) in relation to such CN2 or percentage of the Face Value of CN2 are immediately and irrevocably terminated and such termination will be taken to have occurred immediately on the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event. BEN must give notice as soon as practicable that such termination has occurred to the Holders and such notice must be announced on ASX, and the notice must specify the date on which the Capital Trigger Event or Non-Viability Trigger Event occurred. In this event, a Holder's investment in the relevant CN2 will lose all of its value, and the Holder will not have the Face Value repaid, will not receive any compensation and is likely to be worse off than holders of Ordinary Shares. This could occur if BEN was prevented from issuing Ordinary Shares by circumstances outside its control, for example, if BEN was prevented by a specified law or order of any court, or action of any government authority, from issuing Ordinary Shares.

6.1.16 Exchange on a Change of Control Event

CN2 are issued by BEN, which, as an ASX-listed company, may be affected by merger and acquisition activity, including the possibility of being acquired by, or merged with, another company or group of companies, potentially resulting in a change of control.

Where this corporate activity constitutes a Change of Control Event, as defined in the Terms, BEN is required, subject to satisfaction of certain conditions, to Exchange all CN2 in accordance with clause 4.7 of the Capital Notes 2 Terms. Exchange may therefore occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to CN2 (such as Distributions) is unknown.

6.1.17 Restrictions on rights and ranking in a winding-up of BEN

CN2 are issued by BEN under the Capital Notes 2 Terms. A Holder has no claim on BEN in respect of CN2 except as provided in the Capital Notes 2 Terms. CN2 are unsecured and perpetual in nature.

In the event of a winding-up of BEN, and assuming CN2 have not been Exchanged, Redeemed or Resold and are not required to be Exchanged or Written Off due to a Capital Trigger Event or a Non-Viability Trigger Event, then investors will be entitled to claim for the Face Value of CN2 they hold after payment of all claims ranking senior to CN2. Each CN2 ranks for payment in a winding up of BEN in Australia:

- after the claims of all holders of Senior Ranking Obligations;
- equally with each Holder and holders of Equal Ranking Securities; and
- ahead of holders of Junior Ranking Securities (being holders of Ordinary Shares).

However, where CN2 are required to be Exchanged on account of a Capital Trigger Event or a Non-Viability Trigger Event and Exchange of CN2 has not been effected within five Business Days after a Capital Trigger Event or Non-Viability Trigger Event (as applicable) then the relevant Holders' rights (including to payment of the Face Value and Distributions, and the right to receive Ordinary Shares) in relation to such CN2 or percentage of the Face Value of CN2 are immediately and irrevocably terminated and such termination will be taken to have occurred immediately on the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event (as described in Section 2.6.7 and clause 4.6 of the Capital Notes 2 Terms). This could occur if BEN is prevented from issuing Ordinary Shares by circumstances outside its control, for example, if BEN is prevented by a specified law or order of any court, or action of any government authority from issuing Ordinary Shares.

If there is a shortfall of funds on a winding-up of BEN to pay all amounts ranking senior to and equally with CN2, there is a significant risk that Holders will not receive all or some of the Face Value.

Although CN2 may pay a higher rate of distribution than comparable securities and instruments which are not subordinated, there is a significant risk that a Holder will lose all or some of their investment should BEN become insolvent.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.18 Changes to credit ratings

BEN's cost of funds, margins, access to capital markets and competitive position and other aspects of its performance may be affected by its credit ratings (including any long-term credit ratings or the ratings assigned to any class of its securities). Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated. Even though CN2 will not be rated, such changes could adversely affect the market price, liquidity and performance of CN2 or Ordinary Shares received on Exchange.

6.1.19 Changes to regulatory capital requirements in Australia

Any fall in BEN's Common Equity Tier 1 Capital Ratio as a result of future changes to regulatory capital requirements may adversely impact the market price of CN2 or potentially increase the chance at a later date that Exchange of CN2 takes place due to the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event.

See Section 6.1.15 for the risk associated with Exchange on account of a Capital Trigger Event or Non-Viability Trigger Event.

See Section 5.4.5 for more information about the proposed changes to regulatory capital requirements in Australia, including potential changes to the Prudential Standards (such as potentially increasing capital trigger event threshold requirements from the current 5.125% to a higher level) pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024. The Capital Notes 2 Terms may be amended without the approval of Holders to comply with applicable laws (including the requirements of any statutory authority, such as APRA – see Section 6.1.27).

6.1.20 Regulatory classification and prudential supervision

APRA has confirmed that CN2 will be eligible for inclusion as Additional Tier 1 Capital under APRA's Prudential Standard APS 111.

A Regulatory Event may occur if BEN determines that as a result of an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced on or after the Issue Date and which BEN did not expect as at the Issue Date (including any announcement of a prospective amendment, clarification of or change which has been or will be introduced):

- having received all approvals they consider in their absolute discretion to be necessary (including from APRA), BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital, except where the reason BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital is because BEN has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by BEN to come into effect;
- more than de minimis additional requirements would be imposed on BEN or the BEN Group in relation to or in connection with CN2 (which were not expected by BEN at the Issue Date) which BEN determines, in its absolute discretion, to be unacceptable; or
- to have CN2 outstanding would be unlawful or impractical or that BEN or the BEN Group would be exposed to a more than de minimis increase in its costs in connection with those CN2.

A Regulatory Event may occur, for example, as a result of the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024. For details on the APRA Discussion Paper, see Section 5.4.5.

If a Regulatory Event occurs, BEN may be entitled to, with the written approval of APRA, Redeem, Resell or Exchange CN2.

For the risks attaching to BEN's discretion to Exchange, Resell or Redeem in certain specified circumstances – see Section 6.1.12.

Any such Exchange, Redemption or Resale at BEN's option may occur on dates not previously contemplated by Holders, which may be disadvantageous in light of market conditions or their individual circumstances and may not coincide with their individual preference in terms of timing. This also means that the period for which Holders will be entitled to the benefit of the rights attaching to CN2 (such as Distributions) is unknown.

The method chosen by BEN may also be disadvantageous to Holders and may not coincide with their individual preference in terms of whether they receive Ordinary Shares or cash on the relevant date.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.21 DDO Laws

The DDO Laws, which took effect from October 2021, introduced product design and distribution obligations on certain issuers and distributors of financial products (including hybrid securities such as CN2).

The product design and distribution obligations require (among other things) issuers to prepare and make publicly available a target market determination, issuers to take reasonable steps to ensure compliance with the target market determination by distributors and distributors to take reasonable steps to ensure their distribution is consistent with the target market determination.

In addition, the Corporations Act provides ASIC with significant, proactive powers to issue product intervention orders if it believes that a financial product (such as CN2) has resulted, will result, or is likely to result in significant detriment to retail investors. The scope of the product intervention powers is broad and includes (but is not limited to) the power for ASIC to intervene in relation to a particular financial product (such as CN2) or a class of financial products (such as bank hybrid securities) to prohibit engaging in specified conduct in relation to that product (for example, by requiring that the product not be issued to a retail client unless that retail client has received personal advice). ASIC can exercise this power regardless of whether BEN has complied with its obligations under the DDO Laws and the law generally in relation to CN2.

There is a risk that they may adversely impact the issue, distribution and reinvestment of financial products, including instruments like CN2. It is possible that investors who may have previously invested in Capital Notes or similar securities of BEN are no longer eligible to apply for CN2. These changes may also affect the liquidity of existing and new instruments (including hybrid securities such as CN2) if they lead to a material reduction in future issuance volumes or secondary trading activity by investors.

6.1.22 Australian tax consequences

A general outline of the tax consequences of investing in CN2 for certain potential investors who are Australian residents for tax purposes is set out in the Australian taxation summary in Section 7. This discussion is in general terms and is not intended to provide specific advice addressing the circumstances of any particular potential investor.

Accordingly, potential investors should seek independent advice concerning their own individual tax position.

If BEN receives an opinion from a reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a Tax Change:

- any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be frankable subject to requirements which BEN determines, in its absolute discretion, to be unacceptable) (i.e. a Franking Event); or
- BEN would be required to pay increased taxes or other costs, or BEN or another member of the BEN Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including through the imposition of any taxes, duties, assessments or other charges) in relation to CN2 (i.e. a Tax Event),

then BEN is entitled to Exchange, Redeem or Resell all or some CN2 (subject to APRA's prior written approval where required) – see Section 2.4.

If the corporate tax rate was to change, the cash amount of Distributions and the amount of any franking credits attached to those Distributions would change, but if the Distribution is fully franked, the sum of the cash amount of the Distribution and the franking credit attached to it should be the same as that sum would have been if the corporate tax rate had not changed.

BEN has applied for a class ruling from the Australian Taxation Office, seeking confirmation of certain Australian tax consequences for Holders as discussed in the Australian taxation summary in Section 7. The issue of any class ruling is expected after the Issue Date.

6.1.23 Accounting standards

New accounting standards or amendments to accounting standards issued by either the International Accounting Standards Board or Australian Accounting Standards Board may affect the reported earnings and financial position of BEN in future financial periods. This may adversely affect the ability of BEN to pay Distributions.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.24 Future issues or redemptions of securities by BEN

The Capital Notes 2 Terms do not in any way restrict BEN from issuing further securities or from incurring further indebtedness. BEN's obligations under CN2 rank subordinate and junior in right of payment and in a winding-up to BEN's obligations to holders of senior ranking securities and instruments, and all creditors, including subordinated creditors (other than creditors whose claims are subordinated to or rank equally with or behind CN2). Accordingly, BEN's obligations under CN2 will not be satisfied unless it can satisfy in full all of its other obligations ranking senior to CN2.

BEN may in the future issue securities that:

- rank equally with, in priority to or junior to or having different rights from, CN2;
- have the same or different dividend, interest or distribution rates as those for CN2;
- have payment tests and dividend or distribution restrictions or other covenants which affect CN2 (including by restricting circumstances in which Distributions can be paid or CN2 can be Redeemed); or
- have the same or different terms and conditions as CN2.

BEN may incur further indebtedness and may issue further securities before, during or after the issue of CN2.

An investment in CN2 carries no right to participate in any future issue of securities (whether common equity, capital notes, subordinated or senior debt or otherwise) by BEN.

No prediction can be made as to the effect, if any, which the future issue of securities by BEN may have on the market price or liquidity of CN2 or of the likelihood of BEN making payments on CN2.

Similarly, the Capital Notes 2 Terms do not restrict any member of the BEN Group from redeeming, converting, buying back or returning or distributing capital in respect of any share capital or any other securities of any kind, whether ranking equally with, in priority to or junior to or having different rights from, CN2, other than to the extent that the Capital Notes 2 Terms restrict BEN from undertaking Restricted Actions in respect of Ordinary Shares if a Distribution is not paid in full on a Dividend Payment Date.

BEN may redeem or otherwise repay existing securities including existing Equal Ranking Securities or junior ranking Tier 1 Capital securities before, during or after the issue of CN2. An investment in CN2 carries no right to be redeemed or otherwise repaid at the same time as BEN redeems or otherwise repays other securities (whether common equity, preference shares, subordinated or senior debt or otherwise).

No prediction can be made as to the effect, if any, which the future redemption or repayment by BEN of existing securities may have on the market price or liquidity of CN2 or on BEN's financial position or performance.

6.1.25 Substitution of BEN for a non-operating holding company ("NOHC")

BEN may substitute for itself a NOHC as the debtor in respect of CN2 or as the issuer of ordinary shares on Exchange. If a NOHC is substituted as the debtor, it means that Holders would no longer have rights against BEN. If a NOHC is substituted as the issuer of ordinary shares on Exchange, it means that you will receive ordinary shares in the NOHC rather than BEN.

Although not currently contemplated, the implementation of a NOHC structure may involve BEN selling some but not all of its business, and other subsidiaries, to the NOHC or a subsidiary of the NOHC. As a result, the profits and net asset position of BEN and the NOHC may be different to that of BEN prior to the NOHC structure being implemented.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.26 Relevant provisions of the Banking Act, powers of an ADI statutory manager and APRA secrecy rules

In certain circumstances APRA may appoint a statutory manager to take control of the business of an ADI, such as BEN. Those circumstances are defined in the Banking Act to include:

- where the ADI informs APRA that it is likely to become unable to meet its obligations, or is about to suspend payment;
- where APRA considers that, in the absence of external support:
 - the ADI may become unable to meet its obligations;
 - the ADI may suspend payment;
 - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the interests of its depositors; or
 - it is likely that the ADI will be unable to carry on banking business in Australia consistently with the stability of the financial system in Australia;
- the ADI becomes unable to meet its obligations or suspends payment; or
- where, in certain circumstances, the ADI is in default of compliance with a direction by the Federal Court to comply with the Banking Act or regulations made under it and the Federal Court authorises APRA to assume control of the ADI's business.

The powers of an ADI statutory manager include the power to alter an ADI's constitution, to issue, cancel or sell shares (or rights to acquire shares) in the ADI and to vary or cancel rights or restrictions attached to shares in a class of shares in the ADI. The ADI statutory manager is authorised to do so despite the Corporations Act, the ADI's constitution, any contract or arrangement to which the ADI is party or the Listing Rules. In the event that a statutory manager is appointed to BEN in the future, these broad powers of an ADI statutory manager may be exercised in a way which adversely affects the rights attaching to CN2 and the position of Holders.

In addition, APRA may (in certain circumstances) require BEN to transfer all or part of its business to another entity under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth) ("**FSTR Act**"). A transfer under the FSTR Act overrides anything in any contract or agreement to which BEN is a party and thus may have an adverse effect on BEN's ability to comply with its obligations under CN2 and the position of Holders.

Holders should also be aware that secrecy obligations may apply to action taken by APRA. This means that information about action taken by APRA (including in exercise of its powers under the Banking Act) may not be publicly disclosed.

6.1.27 Amendment of Capital Notes 2 Terms

BEN may, with APRA's prior written approval where required, amend the Capital Notes 2 Terms in certain circumstances without the approval of Holders. These include if the amendment is of a formal, technical or minor nature, to correct an error, to facilitate the listing of CN2, to comply with relevant laws, to amend any date or time period in connection with any Exchange, Resale or Redemption, where there is no material prejudice to the interests of Holders as a whole, or to enable the substitution of a NOHC as the debtor of CN2 provided certain conditions are satisfied. BEN may also, with APRA's prior written approval where required, amend the Capital Notes 2 Terms if the amendment has been approved by a Special Resolution of Holders. Amendments under these powers are binding on all Holders despite the fact that a Holder may not agree with the amendment.

BEN may also amend the Capital Notes 2 Terms in circumstances where the Market Rate ceases to be available (i.e. a Market Rate Disruption Event occurs) and replace the Market Rate with an alternative rate that BEN considers appropriate (in some cases subject to APRA's prior written approval), acting in good faith and in a commercially reasonable manner, and make certain other consequential amendments to the Terms. Such amendments could adversely affect the interests of Holders.

Certain amendments require prior written approval from APRA. Approval is at the discretion of APRA and may or may not be given.

6 Investment risks

6.1 Risks associated with investing in Capital Notes 2 *continued*

6.1.28 Shareholding limits

The *Financial Sector (Shareholdings) Act 1998* (Cth) restricts ownership by people (together with their associates) of ADIs, such as BEN, to a 20% stake. A shareholder may apply to the Australian Treasurer to extend their ownership beyond 20%, but approval will not be granted unless the Treasurer is satisfied that a holding by that person greater than 20% is in the national interest. Mergers, acquisitions and divestments of Australian public companies listed on ASX (such as BEN) are regulated by detailed and comprehensive legislation and the rules and regulations of ASX. These provisions include restrictions on the acquisition and sale of relevant interests in certain shares in an Australian listed company under the Corporations Act and a requirement that acquisitions of certain interests in Australian listed companies by foreign interests are subject to review and approval by the Treasurer. In addition, Australian law also regulates acquisitions which would have the effect, or be likely to have the effect, of substantially lessening competition in a market.

These limits may prevent CN2 of a Holder being Exchanged and therefore cause them to be Written Off in the event of a Capital Trigger Event or a Non-Viability Trigger Event.

Holders should take care to ensure that by acquiring any CN2 (taking into account any Ordinary Shares into which they may Exchange), Holders do not breach any applicable restrictions on ownership.

6.1.29 Holders may be subject to FATCA withholding and information reporting

Legislation incorporating provisions referred to as the Foreign Account Tax Compliance Act or “**FATCA**”, was passed in the United States on 18 March 2010. The paragraph below on how FATCA may affect CN2 is based on guidance issued to date by the US Treasury, including final regulations, as well as the FATCA Intergovernmental Agreement. Future guidance from the US Treasury may also affect the application of FATCA to CN2.

It is possible that, in order to comply with FATCA, BEN (or if CN2 are held through another financial institution, such other financial institution) may be required (pursuant to an agreement with the US Internal Revenue Service (“**IRS**”) or under applicable law, including the FATCA Intergovernmental Agreement and Subdivision 396-A of Schedule 1 to the *Taxation Administration Act 1953* (Cth)) to request certain information from Holders or beneficial owners of CN2, which information may be provided to the Australian Taxation Office, and ultimately to the IRS, and to withhold US tax on some portion of payments made after a date yet to be determined with respect to CN2 if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the IRS (and are not otherwise required to comply with the FATCA regime under applicable laws or are otherwise exempt from complying with the requirement to enter into a FATCA agreement with the IRS). If BEN or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of CN2, Holders and beneficial owners of CN2 will not be entitled to receive any gross up or additional amounts to compensate them for such withholding.

6.1.30 Holders may be subject to CRS (Common Reporting Standard) information reporting

It is possible that, in order to comply with the CRS, BEN (or if CN2 are held through another financial institution, such other financial institution) may be required under Subdivision 396-C of Schedule 1 to the *Taxation Administration Act 1953* (Cth) to request certain information from Holders or beneficial owners of CN2, which information may be provided to the Australian Taxation Office, and ultimately to a taxation authority of a foreign jurisdiction with which that Holder or beneficial owner has a relevant connection for the purposes of the CRS. The CRS is an information collection and reporting regime only and does not require BEN, or any other person, to withhold amounts from any payments made in respect of CN2.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN

6.2.1 Privacy and cybersecurity risk

BEN processes, stores and transmits large amounts of personal and confidential information through its technology systems and networks and the technology systems and networks of its external service providers. Threats to information security are constantly evolving and techniques used to perpetrate cyber-attacks are increasingly sophisticated. In addition, the number, nature and resources of adverse actors that could pose a cyber threat to BEN is growing, including individual cybercriminals, criminal or terrorist syndicate networks and large sophisticated foreign governments with significant resources and capabilities.

Although BEN invests in protecting the confidentiality, integrity and availability of this information, BEN may not always be able to anticipate a security threat, or be able to implement effective information security policies, procedures and controls to prevent or minimise the resulting damage. BEN may also inadvertently retain information which is not specifically required or is not permitted by legislation, thus increasing the impact of a potential data breach or non-compliance. Additionally, BEN uses select external providers (in Australia and overseas) to process and store confidential data and to develop and provide its technology services, including the increasing use of cloud infrastructure. While BEN negotiates comprehensive risk-based controls with its service providers, it is limited in its ability to monitor and control the security protocols that service providers implement on a day-to-day basis. BEN may also submit confidential information to its key regulators under a legal obligation and as part of regulatory reporting.

A breach of security at any of these external providers, regulators or within the BEN Group may result in operational disruption, theft or loss of customer or employee data, a breach of privacy laws, and regulatory enforcement actions, customer or employee redress, litigation, financial losses, or loss of market share, property or information. This may be wholly or partially beyond the control of BEN and may adversely impact its financial performance and position, and reputation. In addition, any such event may give rise to increased regulatory scrutiny or adversely affect the view of ratings agencies.

6.2.2 Financial crime risk

BEN is subject to a wide range of financial crimes regulations, such as anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws and sanctions laws. As a result of the ongoing conflict in Ukraine, there is an unprecedented volume of sanctions being applied by regulators globally to Russia, and potentially other governments. While regulators across the United States, Europe and Australia are largely united with respect to these sanctions, the nuances and specific restrictions are not fully aligned. As a result, BEN is subject to heightened operational and compliance risks in navigating transactions and dealings that may be affected by these additional sanctions laws. This heightened risk is expected to continue and increase as the conflict in the region persists.

While BEN has policies, systems and controls in place that are designed to manage its financial crime obligations (including its reporting obligations in respect of matters such as International Funds Transfer Instructions, Threshold Transaction Reports and Suspicious Matter Reports), these may not in the future always be effective.

To the extent that BEN is found to have failed, or in the future fails, to comply with its obligations under these laws, BEN may face regulatory enforcement action or other sanctions including litigation, fines, civil and criminal penalties, customer compensation obligations and enforceable undertakings. Non-compliance with these obligations could also lead to litigation commenced by third parties (including class action proceedings), regulatory action and sanctions imposed by regulators, as well as adverse media coverage, all of which may also result in reputational damage. In addition, due to the large volume of transactions that BEN processes, an undetected failure or the ineffective implementation, monitoring or remediation of a policy, system or control has the potential to result in multiple breaches of BEN's obligations under these laws which, in turn, could give rise to significant monetary penalties for BEN.

These actions and events could, either individually or in aggregate, adversely affect BEN's business, prospects, reputation and financial performance and position.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.3 Credit and impairment risk

As a financial institution, BEN is exposed to the risks associated with extending credit to other parties. Credit risk is the risk of financial loss if any of BEN's customers or counterparties fail to fulfil their contractual obligations. Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, could cause customers to experience an adverse financial situation, thereby exposing BEN to the increased risk that those customers will fail to meet their obligations in accordance with agreed terms.

BEN is predominantly exposed to credit risk as a result of its lending activities as well as counterparty exposures arising from the activities of its Group Treasury and the use of derivative contracts. As with any financial services organisation, BEN assumes counterparty risk in connection with its lending, trading, derivatives and other activities where it relies on the ability of a third party to satisfy its financial obligations to BEN on a timely basis. BEN could also be subject to the risk that its rights against borrowers or third parties are not enforceable in certain circumstances.

BEN holds two types of provisions for credit impairment: the Collective Provision and Specific Provisions. The Collective Provision is held against currently unidentified losses across loan portfolios with similar risk characteristics and against a general deterioration in the loan book. The Collective Provision is determined through credit risk modelling, and considers prevailing and future economic conditions and may include overlays based on management's judgement of other relevant factors. BEN also holds Specific Provisions against identified non-performing loans which it assesses as unlikely to be repaid in full and the value of collateral is not expected to be enough to cover the outstanding amount.

Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. Material unexpected credit losses could have an adverse effect on BEN's business, operations and financial performance and position.

6.2.4 Economic conditions risk

BEN's revenues and earnings are dependent on economic activity and the level of financial services its customers require. In particular, lending is dependent on customer and investor confidence, the state of the economy, the residential lending market and prevailing market interest rates in Australia. These factors are, in turn, impacted by both domestic and international economic and political events, natural disasters (including pandemics and endemics), cyberattacks and the general state of the global economy (including the current inflationary environment). A future downturn in the Australian economy or disruption to Australian or global markets could cause a reduction in demand for BEN's products and an increase in customer defaults, which may ultimately adversely impact BEN's operations, liquidity, capital resources and financial performance and position. Additionally, these events may undermine confidence in the financial system to further reduce liquidity and impair access to funding, which may adversely affect BEN's customers and counterparties, and ultimately, BEN's financial position.

Changes in investment markets, including changes in interest rates, foreign currency exchange rates and returns from equity, property and other investments, will affect the financial performance of BEN through its operations and investments held in financial services and associated businesses. Losses arising from these risks may have an adverse effect on BEN's business, operations and financial performance and position.

The unique nature of the current geopolitical environment and associated trade tensions is also a source of possible economic risk, although China's attempts to lift its economic growth to 5% in 2023 has led to a sharp increase in demand for Australia's exports, and numerous tariffs have been removed. Nevertheless, geopolitical tensions are high in the context of the Russian invasion of Ukraine, the Israel-Palestine conflict in the Gaza Strip, the AUKUS military pact and the 2023 QUAD alliance meetings in New Delhi.

Another source of potential economic risk lies in the sensitivity of Australian households to higher interest rates on top of the recent pressures on household budgets via cost of living increases.

While Australia's economy is forecast to expand modestly in FY24 and FY25, tighter monetary policy (reflected in an increase in the RBA cash rate and, in turn, an increase in interest rates generally for Australian business and consumers), combined with inflated costs of goods and services will impact household balance sheets. This may affect the ability of borrowers to service mortgage loans. Similarly businesses face challenges with higher interest rates, and from the possibility of lower demand from households domestically, and potentially from offshore if trade tensions and/or commodity prices adversely impact exports.

Due to the economic relationship between Australia and China, particularly in the mining, resources and agricultural sectors, a slowdown in China's economic growth and foreign policies (including the adoption of protectionist trade measures or sanctions) could negatively impact the Australian economy. This could result in a reduced demand for BEN's products and services and affect supply chains, the level of economic activity and the ability of its borrowers to repay their loans.

All these factors could adversely affect BEN's business, prospects, financial performance or financial condition. The nature and consequences of any such event are difficult to predict and there is a risk that BEN's response may be ineffective.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.5 Regulatory and government policy risk

BEN's businesses are highly regulated and BEN could be adversely affected by failing to comply with existing laws, regulations or regulatory policy.

As a financial institution, BEN is subject to laws, regulations, policies and codes of practice in countries in which it has operations, trades or raises funds or in respect of which it has some other connection. In particular, BEN's banking and funds management activities are subject to extensive regulation, mainly relating to its operational practices, liquidity levels, capital, solvency, provisioning and licensing conditions.

Regulations vary from country to country but generally are designed to protect depositors, insured parties, customers with other products and the banking system as a whole. BEN is currently operating in an environment where there is increased scrutiny of the financial services sector and specifically, increased scrutiny of financial services providers by regulators. The Australian Government and its agencies, including APRA, RBA and other financial industry regulating bodies including ASIC, have supervisory oversight of BEN. To the extent that BEN has operations, trades or raises funds in, or has some other connection with, countries other than Australia, then such activities may be subject to the laws of, and regulation by agencies in, those countries. In this environment, BEN faces increasing supervision and regulation in the jurisdictions in which it operates or obtains funding. This environment has also served to increase the pace and scope of regulatory change.

A failure to comply with any standards, laws, regulations or policies in any of these other jurisdictions could result in sanctions by these or other regulatory agencies, the exercise of any discretionary powers that the regulators hold or compensatory action by affected persons, which may in turn cause substantial damage to BEN's reputation. To the extent that these regulatory requirements limit BEN's operations or flexibility, they could adversely impact BEN's profitability.

The current political and regulatory environment that BEN is operating in has also seen (and may in the future see) BEN's regulators receive new powers. ASIC has recently been provided with a product intervention power, which enables it to make orders that prevent issuers of financial products from engaging in certain conduct. In addition, in 2020, legislative changes materially increased the penalties that can be imposed for corporate and financial sector misconduct. In particular, ASIC can commence civil penalty proceedings and seek significant civil penalties against an Australian Financial Services licensee (such as BEN) for failing to do all things necessary to ensure that financial services provided under the licence are provided efficiently, honestly and fairly. BEN may also face significant penalties for failing to comply with other obligations, such as those provided for under the enhanced ASIC breach reporting regime which came into operation on 1 October 2021. This trend towards increasingly severe penalties for failing to meet compliance obligations could continue in the future and be expanded into other areas of regulation that BEN is subject to. Further, APRA has publicly committed to a revised approach to enforcement. APRA has indicated that it will use enforcement, where appropriate, to prevent and address serious prudential risks and/or regulatory breaches and hold entities and individuals to account. The provision of new powers to regulators, coupled with the increasingly active supervisory and enforcement approaches adopted by them, increases the prospect of adverse regulatory action being brought against BEN. Further, the severity and consequences of such actions are now greater, given the expansion of penalties for corporate and financial sector misconduct.

Regulatory and other governmental agencies (including courts, revenue and tax authorities) frequently review banking and tax laws, regulations, codes of practice and policies. Changes to laws, regulations, codes of practice or policies, including changes in interpretation or implementation of laws, regulations, codes of practice or policies, could affect BEN in substantial and unpredictable ways.

These may include increasing required levels of bank liquidity and capital adequacy, limiting the types of financial services and products BEN can offer and the revenues it can earn, and/or increasing the ability of non-banks to offer competing financial services or products, as well as changes to accounting standards, taxation laws and prudential requirements (including in response to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 – see Section 5.4.5 for further information).

Further inquiries and regulatory reviews impacting the financial services industry may be commissioned by the Australian Government, which, depending on their scope, findings and recommendations, may adversely impact the Group. For example, at the direction of the Treasurer in February 2023, the ACCC conducted an inquiry into the market for the supply of retail deposit products. This was motivated by the recent increases in the target cash rate by the RBA and the subsequent increases in home loan interest rates but perceived lagging increase in deposit rates. The inquiry considered matters including the interest rates paid by ADIs for retail deposits, how the interest rates are set, decisions made in light of changes to the RBA target cash rate, the extent of competition in the market for retail deposit products and how deposit products are a source of funding for the supply of credit. The ACCC provided its final report on 15 December 2023, which included seven recommendations that are designed to improve consumer outcomes and the operation of the retail deposits market in Australia.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

Recently, policy makers and regulators have developed and implemented a range of regulations that affect how BEN provides products and services to its customers. New laws have been introduced that further regulate its ability to provide products and services to certain customers and that require BEN to alter its product and service offerings. BEN's ability to set prices for certain products and services may also be impacted by future regulation. The competitive landscape may also be altered by new laws affecting banks and financial services companies, or BEN's agents, authorised representatives and external service providers.

In some cases, changes to regulation are driven by international bodies, such as the Basel Committee on Banking Supervision. Regulatory change may also flow from reviews and inquiries commissioned by governments or regulators. These reviews and commissions of inquiry may lead to substantial regulatory change or investigations. Any such regulatory changes may adversely affect BEN's business, operations and financial performance and position.

The report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "**Royal Commission**"), delivered on 1 February 2019, has led to, and may continue to lead to, regulatory enforcement activity, litigation and changes in laws, regulations or regulatory policy and has resulted in, and may continue to result in, ongoing reputational damage to the banking industry, all of which has had, and may continue to have, an adverse effect on the banking industry's business and prospects, which could in turn adversely affect BEN's business, prospects, financial performance or position. The nature, timing and impact of future regulatory reforms or changes are not predictable and are beyond BEN's control. Regulatory compliance and the management of regulatory change is an increasingly important part of BEN's strategic planning. Regulatory change may also impact BEN's operations by requiring it to have higher levels and better quality of capital, place restrictions on the businesses it operates, or require BEN to alter its product or service offerings. If regulatory change has any such effect, it could adversely affect one or more of BEN's businesses, restrict its flexibility, require it to incur substantial costs and impact the profitability of one or more of BEN's businesses. Any such costs or restrictions could adversely affect BEN's business, prospects, reputation, financial performance or position.

6.2.6 Liquidity and funding risks

Liquidity risk is the risk that BEN is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that BEN has insufficient capacity to fund increases in assets. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows.

Liquidity risk is managed in line with a Board approved framework (see Section 5.5), which incorporates limits, monitoring and escalation processes to ensure sufficient liquidity is maintained.

Reduced liquidity could lead to an increase in the cost of BEN's borrowings and possibly constrain the volume of new lending, which could adversely affect BEN's ongoing operations, funding position and profitability.

Liquidity risk may increase during periods of market stress, in the event of deterioration in investor confidence in BEN, or in times of significant competition for funding (including customer deposits).

If BEN's current sources of funding prove to be insufficient or too expensive, it may be forced to seek alternative financing (to the extent such financing is available). The availability of such alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, BEN's credit ratings and BEN's financial position. These alternatives may be more expensive than existing funding sources which may negatively impact BEN's profitability and overall financial position.

If BEN is unable to source appropriate funding, it may be forced to reduce lending or sell liquid securities (to the extent that a market in such securities is available) to solve any potential funding shortfalls. There is no assurance that BEN would be able to obtain favourable prices on some or all of the securities it offers for sale.

The inability to obtain appropriate funding may materially adversely impact BEN's financial performance, financial position, growth, liquidity, and capital resources.

6.2.7 Sovereign risk may destabilise financial markets adversely

Sovereign risk is the risk that governments will default on their debt obligations, will be unable to refinance their debts as they fall due or will nationalise parts of their economy including assets of financial institutions such as BEN. Sovereign defaults could negatively impact the value of BEN's holdings of high quality liquid assets. There may also be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than those experienced during the Global Financial Crisis. Such an event could destabilise global financial markets, adversely affecting BEN's liquidity and financial performance and position.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.8 Litigation and contingent liabilities risk

From time to time, BEN may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities which may adversely affect BEN's results.

The BEN Group may be exposed to risks relating to the provision of advice, recommendations or guidance about financial products and services, or behaviours which do not appropriately consider the interests of consumers, the integrity of the financial markets or the expectations of the community, in the course of its business activities.

In recent years, there have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The nature of those investigations, reviews and enforcement actions can be wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice and conduct in financial markets and capital markets transactions. Regulatory investigations, fines, other penalties or regulator-imposed conditions could adversely affect BEN's reputation, prospects, financial performance and position and capital condition. There is also a risk that these contingent liabilities may be larger than anticipated or that additional litigation or other contingent liabilities may arise.

6.2.9 BEN is exposed to the risk that its capital levels are inadequate under stressed conditions or to support strategic opportunities

BEN's capital base is critical to the management of its businesses and access to funding. BEN is required by APRA to maintain adequate regulatory capital and is subject to quantitative and qualitative assessments of its capital levels by APRA. BEN's capital ratios may be affected by a number of factors, including earnings, asset growth and quality, changes in regulatory requirements, and changes in business strategy (including acquisitions, divestments, investments and changes in capital intensive businesses). The macro-economic environment, stressed conditions and/or regulatory change could further impact BEN's capital ratios and therefore BEN's capital adequacy. This can in turn impact how BEN uses its capital and can restrict its ability to pay dividends and Additional Tier 1 Capital distributions, or to make stock repurchases, or restrict balance sheet growth. It may also require BEN to raise more capital and there can be no certainty that any additional capital raised in the future can be raised at acceptable and economic terms. Additionally, if the information, models, or the assumptions upon which BEN's capital requirements are assessed prove to be inaccurate, this may adversely impact BEN's operations, financial performance and financial position.

6.2.10 Property risk

Residential, commercial and rural property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to BEN.

Following the fall in Australian house prices in 2018, residential property prices in Australia appreciated significantly during the pandemic amid record low interest rates to record highs in mid-2022, prior to falling roughly 10% as interest rates steadily rose. Inflationary pressures reached multi-decade highs in the Australian economy in late 2022 as a result of the combined impact of supply chain issues, geopolitical tensions, tightened labour markets and weather-related disruptions locally. In response to rising inflation, the RBA increased the cash rate by over 4% since May 2022. Any further significant increases in interest rates may affect debt serviceability and reduce demand for residential property in Australia.

Following a prolonged period of asset price inflation and record low interest rates, BEN's portfolio of commercial property loans may become susceptible to a sudden and material increase in interest rates, which could cause a decline in interest coverage ratios and asset values and increase refinance risk and necessitate equity contributions towards debt reduction.

Where property prices decline and the security asset is sold, borrowers with higher loan to valuation ratios may realise a shortfall that may increase the losses that BEN may experience from existing loans. Such a significant slowdown in the Australian property market could adversely affect BEN's business, operations and financial performance and position.

Further, failure of any of the providers of Lenders Mortgage Insurance ("LMI") to BEN will increase the risk that BEN will be uninsured in the event of mortgage default, and have potentially negative effects on the BEN Group's operations and financial performance and position including adverse capital impacts.

BEN is also exposed to the risk of declining residential property prices through its 100% equitable interest in the portfolio of Homesafe contracts. BEN's interest in these Homesafe contracts – entered into by Homesafe Solutions (a previous joint venture of BEN) and which assist senior homeowners to access equity in their homes without going into debt – entitle BEN to a percentage of the proceeds of sale of the properties owned by Homesafe customers. To the extent that there is a decline in residential property prices, there will also be a decline in the absolute amount that BEN may receive under its interest in these Homesafe contracts, which would represent a decrease in the value of BEN's interest in these Homesafe contracts.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.11 Credit ratings risk

BEN's credit ratings have a significant impact on both its access to, and cost of, capital and wholesale funding. Credit ratings may be withdrawn, made subject to qualifiers, revised, or suspended by the relevant credit rating agency at any time and the methodologies by which they are determined may be revised. The credit ratings assigned to BEN are based on an evaluation of a range of factors, including BEN's financial strength and structural considerations regarding the Australian financial system and economy.

A credit rating downgrade could also be driven by the occurrence of one or more of the other risks discussed in this Prospectus or by other events. Ratings agencies may revise their methodologies in response to legal or regulatory changes or other market developments. If BEN fails to maintain its current corporate credit ratings, this could adversely affect its cost of funds and related margins, liquidity, competitive position, access to capital and wholesale debt markets, and willingness of counterparties to transact with it.

6.2.12 Technology risk

Most of BEN's operations depend on technology, and therefore the reliability, resilience and security of BEN's (and its third-party vendors') information technology systems and infrastructure are essential to the effective operation of its business and consequently to its financial performance and position. The reliability, security and resilience of BEN's technology may be impacted by the complex technology environment, failure to keep technology systems up-to-date, an inability to restore or recover systems and data in acceptable timeframes, or a physical or cyber-attack.

The rapid evolution of technology in the financial services industry and the increased expectations of customers for internet and mobile services on demand expose BEN to changing operational scenarios. Most of BEN's daily operations are computer-based and information technology systems (including mobile applications) are essential to the provision of banking services, maintaining financial records and effective communication with customers. The exposure to systems risks includes:

- service disruption through the complete or partial failure of information technology systems or infrastructure, third party failures or denial of service attack;
- compromise of bank or customer data due to an information security breach and cyberattacks; and
- system/data integrity errors or information technology outages.

In 2022 and continuing into 2023, a number of large Australian corporations experienced significant cyber-attacks. Intense public response to these attacks has led to increased political focus with the potential for future significant increases in penalties for privacy breaches. Any disruption to BEN's technology (including disruption to the technology systems of BEN's external providers) may be wholly or partially beyond BEN's control and may result in operational disruption, regulatory enforcement actions, litigation, financial losses amongst other adverse consequences.

In addition, any such disruption may adversely affect the trust that internal and external stakeholders have in BEN's ability to protect key information (such as customer and employee records) and infrastructure. This may in turn affect BEN's reputation, including the view of regulators or ratings agencies, which may result in loss of customers, a reduction in share price, ratings downgrades and regulatory censure or penalties. Social media commentary may exacerbate such adverse outcomes for BEN and negatively impact BEN's reputation.

BEN has implemented controls to reduce the risks of business interruption, customer loss, financial compensation, reputational damage, and weakened competitive position from critical system failures. However, any failure of critical systems could still have a material adverse effect on BEN's business, financial performance, and position.

BEN regularly updates and implements new information technology systems, in part to satisfy regulatory demands, but also to improve its stakeholder experience and to continually enhance its control environment. Enhancements include the simplification and modernisation of BEN's technology environment and improvements to technology controls such as uplifting information security controls. Other examples may include improved online banking services for BEN's customers and the consolidation of the various segments of BEN's business. There is a risk that BEN may not implement these projects effectively or execute them efficiently, which could lead to increased project costs, delays in the ability to comply with regulatory requirements, failure of BEN's information security controls or a decrease in BEN's ability to service its customers.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.13 Operational risk

As a financial services organisation, BEN is exposed to a variety of operational risks, including those resulting from inadequate or failed internal processes, activities and systems, or from external events. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems as well as the risk of business disruption due to external events such as those discussed under the relevant risk factor above. It includes, among other things, technology risk, model risk and outsourcing risk. While BEN has policies, processes and controls in place to manage these risks, these have not always been, or may not be, effective.

Ineffective processes and controls have resulted in, and could result in, adverse outcomes for customers, employees or other third parties. For example, a process breakdown or a failure to have appropriate product governance and monitoring processes in place could result in a customer not receiving a product on the terms, conditions, or pricing they agreed to, potentially to the detriment of the customer. Failed processes could also result in BEN incurring losses because it cannot enforce its expected contractual rights.

As a large financial institution, BEN relies on a number of models for material business decision making (including lending decisions, calculating capital requirements, provision levels, customer compensation payments and stressing exposures). If the models used prove to be inadequately designed, implemented or maintained or based on incorrect assumptions or inputs, this could have a material adverse effect on BEN's business, financial performance, and position.

The risk of operational breakdowns occurring is heightened where measures are implemented quickly in response to external events, such as the COVID-19 pandemic. Failed processes could result in BEN incurring losses because it cannot enforce its expected contractual rights. These types of operational risk can directly impact BEN's reputation and result in financial losses, customer remediation, regulatory scrutiny and intervention, fines, penalties and capital overlays and, depending on the nature of the failure, result in litigation, including class action proceedings. All of these could adversely affect BEN's financial performance and position.

6.2.14 Climate and sustainability related risk

Climate-related risks have had, and are likely to have, adverse effects on BEN, customers, external suppliers, its people, and the communities in which it operates. There are significant uncertainties inherent in accurately identifying and modelling climate-related risks and opportunities over short-, medium- and long-term time horizons and in assessing their impact. These risks may manifest as physical risks, both acute and chronic in nature, transition risks (such as policy, legal, technological, market and reputational risks), and risks related to legal liability and regulatory action.

Physical risks include increases and variability in temperatures, changes in precipitation patterns, rising sea levels, loss of natural capital, and increased frequency and severity of adverse climatic events, including fires, storms, floods and droughts. These may impact BEN and its customers through, for example, disruptions to business and economic activity, inability to access insurance and/or impacts on income and asset values. Adverse impacts on BEN's customers may also, in turn increase human rights risk, increase the number of people in vulnerable circumstances, and negatively impact loan serviceability and security values, as well as BEN's profitability.

Transition risks may arise from initiatives and trends associated with climate change mitigation and the transition to a low carbon economy, changes in investor appetite, shifting customer preferences, technological developments, changes in supervisory expectations of banks, and other regulatory and policy changes. Transition risks could directly impact BEN by, for example, giving rise to higher compliance and/or funding costs, the contraction of revenue from sectors materially exposed to transition risk, and potential legal or regulatory risk. Transition risks may place additional pressure on certain customer sectors, including pressure to reduce greenhouse gas emissions, that could result in loss of revenue and result in increased credit risk to BEN. Conversely, BEN may not be able to reduce its lending to higher risk sectors or regions, as a result of possible stakeholder requirements to continue to lend to certain customer sectors.

BEN's ambition to become a net-zero, climate resilient bank has, and will, require ongoing changes to BEN's lending and operational policies, and processes and may present execution risk. BEN's ability to meet its commitments and targets is partially dependent on the orderly transition of the economy towards net-zero, which may be impacted by external factors including government climate policy, the level of public and private investment, electricity grid transmission capacity, and constraints in the development and supply of technology, infrastructure and skilled labour required to deliver new renewable projects, including power generation.

Failure or perceived failure to adapt BEN's strategy, governance, procedures, systems and controls to proactively manage or disclose evolving climate- and sustainability-related risks and opportunities (including, for example, perceived misstatement of, or failure to adequately implement or meet, sustainability claims, commitments such as with respect to the *Modern Slavery Act 2018* (Cth) and/or targets) may give rise to business, reputational, legal and regulatory risks. This includes financial and credit risks that may impact on BEN's profitability and outlook, and the risk of regulatory action or third party and shareholder litigation (including class actions) against BEN (and/or its customers), with these types of actions becoming more common.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

BEN may also be subject, from time to time, to legal and business challenges due to actions instituted by activist shareholders or others. Examples of areas which have attracted shareholder activism and challenges include: the finance of or interaction with businesses that are perceived to be at greater risk from physical and transition risks of climate change or are perceived to not demonstrate responsible management of climate change, environmental and social issues; disclosure of climate- and sustainability-related risks, and setting and implementing appropriate climate change and environmental strategies (including net-zero or emissions reductions strategies, targets and policies).

Scrutiny from Australian, New Zealand and global regulators and shareholders on the climate related risk management practices, lending policies, targets and commitments, and other sustainability products, claims and marketing practices of banks and other financial institutions, will likely remain high in coming years. Failure to effectively manage any of these climate- and sustainability-related risks could adversely affect BEN's business, prospects, reputation and financial performance or position.

Increased focus by and collaboration between local and global regulators on climate change and sustainability factors increases compliance, legal and regulatory risks and costs. Applicable legal and regulatory regimes, policies, and reporting and other standards are also evolving (alongside science, technology, research and development) and are likely to continue to do so over time.

Examples of regulatory developments in this space include: APRA's Prudential Practice Guide on climate change financial risks and Climate Risk Self-Assessment Survey; the EU's introduction of Sustainability Financial Disclosure Regulations and changes to Basel Pillar 3 disclosure obligations; international policy consideration of capital regulatory requirement updates to account for climate-related and sustainability-related prudential risks; New Zealand's introduction of mandatory climate-risk reporting legislation for the financial sector and associated disclosure standards; the Australian Accounting Standards Board's proposed approach to developing sustainability-related financial reporting standards in Australia; International Sustainability Standards Board's proposed introduction of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures; the US Securities and Exchange Commission's proposed introduction of enhanced and standardised mandatory climate-related disclosures; and increased compliance and enforcement focus by ASIC and the ACCC and other regulators on a range of issues relating to sustainability, including active monitoring and investigation of environmental or sustainability claims.

6.2.15 Competition risk

The markets in which BEN operates are highly competitive and will continue to be competitive as digital disruption continues to evolve. The increasing prevalence of digital banking and the growing use of artificial intelligence has increased the level and efficacy of competition in the industry through an increased focus on data and analytics capabilities, and creating unique and seamless customer experiences. The inability to keep up with these evolutions in digital banking and the effects of operating in this increased competitive environment could adversely affect BEN's ability to compete and achieve BEN's growth prospects.

Competitors may not be subject to the same capital and/or regulatory requirements and therefore may be able to operate more efficiently. If BEN is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also adversely affect BEN by diverting business to its competitors or creating pressure on net interest margins. These risks are not specific to BEN and instead represent challenges across the industry, however the impact of these occurring could result in adverse effects on BEN's business prospects, financial performance and position.

Increased competition for deposits could also lead BEN to access other types of funding at higher costs, thereby increasing BEN's cost of funding. BEN relies on retail deposits to fund a significant portion of its balance sheet and these deposits have been a relatively stable source of funding. BEN competes with banks and other financial services firms for such deposits. To the extent that it is not able to successfully compete for deposits, BEN would be forced to rely more heavily on more expensive or less stable forms of funding, or reduce its lending activities.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.16 Strategic and acquisition risk

BEN regularly examines a range of corporate opportunities, including material acquisitions, commercial partnerships and disposals with a view to determining whether those opportunities are aligned with the BEN Group's vision and strategy and would enhance the BEN Group's financial performance and position. There are risks associated with strategic and business decisions made by BEN in the ordinary course of business, including restructures, organic development initiatives or acquisitions and other corporate opportunities. Any restructure, initiative, acquisition or decision made in relation to other corporate opportunities could, for a variety of reasons, have a material adverse effect on BEN's current and future financial position or performance.

BEN may seek to grow in the future by merging with or acquiring other companies or businesses. There can be no assurance that any merger or acquisition would have the anticipated positive results, including results relating to the total cost of integration, the time required to complete the integration, the amount of longer-term cost savings or the overall performance of the combined entity or an improved price for the BEN Group's securities. Integration of a merged or acquired business can be complex and costly, sometimes including combining relevant accounting and information technology systems and management controls, as well as managing relevant relationships with employees, clients, suppliers and other business partners. Integration efforts could divert management attention and resources, which could adversely affect the BEN Group's operations or results. A merger or acquisition may also result in business disruptions that cause the BEN Group to lose customers or cause customers to remove their business from the BEN Group to competing financial institutions.

BEN may seek to sell or dispose of certain businesses in the future. This may result in a change in BEN's operations and cause BEN to face risks, including operations and financial risks that could adversely affect BEN's financial condition and results of operations. The BEN Group's operating performance, risk profile or capital structure may also be affected by these corporate opportunities and there is a risk that any of the BEN Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

6.2.17 Partner risk

BEN has **Community Bank** branches operating in all Australian states and territories and deals with intermediaries through its Third Party Banking business. The **Community Bank** branches are operated by companies that have entered into franchise and management agreements with BEN to manage and operate a **Community Bank** branch. Intermediary agreements are also entered into for all Third Party Banking intermediaries. BEN carefully assesses and monitors the progress of the franchisees and intermediaries although there can be no guarantee of their success.

Whilst this branch network is relatively mature, and BEN's dealings with intermediaries through its Third Party Banking model continue, there are risks that may develop over time which may adversely impact BEN's financial results. These risks include the actions of intermediaries adversely affecting BEN's reputation, loss of customers and regulatory investigations, enforcement actions, fines, penalties or litigation or other actions brought by third parties (including class actions) all of which, individually or in combination, could adversely affect BEN's business, financial performance or financial condition.

6.2.18 Fraud and scams risk

BEN is exposed to the risk of fraud, both internal and external (including fraudulent applications for loans, or from incorrect or fraudulent payments and settlements). BEN also runs the risk that employee, contractor and external service provider misconduct could occur. For instance, fraudulent conduct can also arise from external parties seeking to access its systems or customer accounts. All actual or alleged fraud is investigated under the authority of BEN's financial crimes unit. It is not always possible to deter or prevent employee misconduct and the precautions taken by BEN to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

A global increase in fraud and scams against customers and BEN, has been observed since the COVID-19 pandemic. Scams, frauds and financial crimes could continue to increase materially due to corporate cyberattacks against Australian corporations where theft of private data could erode the reliability of BEN's existing KYC processes as stolen personal information could be misused for identity theft. Increased focus on protection of vulnerable customers also has the potential to result in Australian regulators imposing a shared liability model where banks become accountable for a portion of the frauds and scams perpetrated against BEN's customers.

6 Investment risks

6.2 Principal risks and uncertainties associated with BEN *continued*

6.2.19 Conduct risk

BEN is exposed to risks relating to product flaws, processing and collection errors and mis-selling. These risks can arise from product design or disclosure flaws or errors in transaction processing. It can also include mis-selling of products to BEN's customers in a manner that is not aligned to the customer's risk appetite, needs or objectives. The risk is particularly relevant in relation to vulnerable customers where BEN has additional obligations to ensure product sales are not mis-sold. Where issues have been identified, BEN has developed processes for customer review and remediation, some of which are ongoing, with compensation amounts for affected customers to be determined. Provisions have been raised for the estimated compensation due to customers, but this is a matter of judgement and the actual compensation could vary significantly from the amounts provided for.

Events such as the outbreak of COVID-19 can result in rapid changes to the internal and external business environment and subsequent changes to business processes to support customers. This may impact both the likelihood and the consequence of unfair outcomes to customers, including through decisions and actions where the trade-offs or tail risks may not be immediately apparent or quantifiable. BEN made significant efforts to support its customers in an appropriate way during the COVID-19 pandemic including through regular customer communication and redeployment of staff into customer facing roles. However, no assurance can be given that the steps taken will not have unintended consequences in the future or that they will meet the future expectations of BEN's regulators. BEN cannot predict the level of further disruption which may occur.

If conduct risk materialises, this may expose BEN to regulatory actions, restrictions or conditions on banking licenses and/or reputational consequences that may adversely affect BEN's business, operations and financial position. It is possible that remediation programmes may not be implemented appropriately or may lead to further remediation work being required, resulting in litigation, regulatory action and/or increasing cost to BEN, all of which may adversely affect BEN's business, operations and financial position.

6.2.20 Contagion risk

BEN includes a number of subsidiaries which are trading entities and holders of Australian Financial Services Licences and/or Australian Credit Licences. Dealings and exposures between BEN and its subsidiaries principally arise from the provision of administrative, corporate, distribution and general banking services. The majority of subsidiary resourcing and infrastructure is provided by BEN's centralised back office functions. Other dealings arise from the provision of funding and equity contributions. BEN is exposed to risks through such dealings, including risks relating to credit, liquidity and funding.

BEN has subsidiaries (whether partially or fully owned), which through their normal dealings and exposures, may not be able to meet financial obligations as and when they fall due, or become subject to regulatory scrutiny or penalties. This in turn may have an adverse impact on BEN's reputation, business, growth prospects, engagement with regulators, financial performance or financial condition.

6.2.21 BEN may experience reductions in the valuation of some of its assets, resulting in fair value adjustments that may have a material adverse effect on its earnings

Where required, under Australian Accounting Standards, BEN recognises financial assets and liabilities, as well as investment property, at fair value.

Generally, in order to establish the fair value, BEN relies on quoted market prices or, where the market is not sufficiently active, fair values are based on present value estimates or other accepted valuation techniques. In certain circumstances, the data for individual assets or liabilities or classes of assets or liabilities used by such estimates or techniques may not be available or may become unavailable due to changes in market conditions. In these circumstances, the fair value is determined using data derived and extrapolated from market data and tested against historic transactions and observed market trends. The resulting change in the fair values of the financial instruments could have a material adverse effect on BEN's financial performance and position.

6.2.22 The BEN Group's failure to recruit and retain key executives, employees and Directors may have adverse effects on BEN's business

Key executives, employees and Directors play an integral role in the operation of BEN's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role, or the BEN Group's failure to recruit and retain appropriately skilled and qualified persons into these roles, could each have an adverse effect on BEN's business, prospects, reputation and financial performance and position.

7 Tax summary

Allens	
101 Collins Street Melbourne VIC 3000 Australia	GPO Box 1776 Melbourne VIC 3001 Australia DX 30999 Melbourne
T +61 3 9614 1011	
F +61 3 9614 4661	
www.allens.com.au	ABN 47 702 595 758

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26 February 2024

The Directors
Bendigo and Adelaide Bank Limited
The Bendigo Centre
Bendigo VIC 3550

Dear Directors

Bendigo and Adelaide Bank Limited Capital Notes 2

The following is a summary of the Australian taxation implications for holders of Capital Notes 2 that are acquired under this Prospectus. This summary addresses the principal tax consequences for individuals, companies and complying superannuation entities who acquire their Capital Notes 2 under the Prospectus, are residents of Australia for the purposes of Australian income tax laws and who hold Capital Notes 2 on capital account (**Investors**) and also certain non-resident holders.

This summary does not address all of the tax consequences of holding Capital Notes 2, such as the tax consequences for Investors who acquire Capital Notes 2 in the course of a business of trading or investing in securities, or who otherwise hold Capital Notes 2 on revenue account or as trading stock.

This summary reflects the current provisions of the *Income Tax Assessment Act 1936 (Cth)* (**1936 Act**) and the *Income Tax Assessment Act 1997 (Cth)* (**1997 Act**), the regulations made under those Acts and the current administrative practice of the Australian Taxation Office (**ATO**). Except where expressly stated, this summary does not otherwise take into account or anticipate changes in taxation laws.

Capitalised terms used in this letter have the same meaning as in the Prospectus, unless otherwise indicated.

This summary is provided solely for the benefit of Bendigo and Adelaide Bank and is not to be relied upon by any other person. The tax consequences of ownership of Capital Notes 2 may differ depending upon an Investor's particular circumstances. *Information contained in this summary is necessarily general in nature and investors in Capital Notes 2 will need to consult their own professional tax advisers regarding the consequences of acquiring, holding or disposing of Capital Notes 2 in light of their particular circumstances.*

Tax Summary

We have been instructed by Bendigo and Adelaide Bank that the Capital Notes 2 will be issued by Bendigo and Adelaide Bank in Australia, that Bendigo and Adelaide Bank intends to apply the proceeds from the issue of the Capital Notes 2 to fund the redemption of CPS4 as well as for general business purposes. We have also been instructed that Distributions paid on Capital Notes 2 are expected, but not guaranteed, to be fully franked. This summary also assumes that all of the transactions described in the Prospectus will be carried out in the manner described in the Prospectus.

Bendigo and Adelaide Bank has applied for a Class Ruling requesting confirmation of the ATO's views on the principal tax issues considered below.

7 Tax summary

Bendigo and Adelaide Bank Limited

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1 Distributions

1.1 Resident Holders

(a) Franking credits

Because Capital Notes 2 will be 'equity interests' for income tax purposes, payments of Distributions on Capital Notes 2 will be frankable distributions, with the following tax consequences:

- (i) Investors will be required to include the amounts of Distributions in their assessable income;
- (ii) the amounts of any franking credits attached to those Distributions should also be included in Investors' assessable income; and
- (iii) tax offsets, equal to the amount of the franking credits, should generally be available to Investors, subject to (1) the Capital Notes 2 being held 'at risk' for the requisite periods and (2) the expectation that the Commissioner of Taxation will not make an adverse determination regarding the application of the 'anti-avoidance rule' in section 177EA of the 1936 Act (see further regarding both of these issues below).

If any Distributions payable in respect of the Capital Notes 2 are unfranked, those amounts would also be required to be included in an Investor's assessable income, without any tax offsets.

Individuals or complying superannuation entities that are entitled to tax offsets may claim a tax refund to the extent that the tax offsets exceed the tax that is otherwise payable by them. Investors that are companies are generally not entitled to refunds of excess tax offsets, but may be entitled to a credit in their franking account equal to the amount of the franking credits attached to a Distribution and may, in certain circumstances, treat any excess non-refundable franking credits as a tax loss, subject to the qualifications mentioned above and discussed further below and subject to the company satisfying certain tax loss carry forward rules.

(b) Holding period rule

Unless an Investor is a 'qualified person' in relation to the Distribution, the Investor will not be entitled to tax offsets in respect of franking credits attached to the Distribution.

To be a 'qualified person' in relation to a Distribution, Investors must have held the Capital Notes 2 'at risk' for a continuous period of at least 90 days (excluding the days of acquisition and disposal) during:

- (i) the 'primary qualification period', which is the period beginning on the day after the day on which the Capital Notes 2 are acquired by an Investor and ending on the 90th day after the day that the Capital Notes 2 became ex-distribution; or
- (ii) if an Investor, or an associate, is under an obligation to make 'related payments' (which have the effect of passing on the benefit of Distributions to other entities) in respect of Distributions, the 'secondary qualification period', which is the period beginning on the 90th day before, and ending on the 90th day after, the day that the Capital Notes 2 became ex-distribution.

To be held 'at risk', Investors must effectively retain 30% or more of the risks and benefits associated with holding the Capital Notes 2. Whether or not the Capital Notes 2 are held 'at risk' by an Investor during the relevant periods will depend upon whether the Investor has

7 Tax summary

Bendigo and Adelaide Bank Limited

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financial positions or undertakes risk management strategies (e.g. using limited recourse loans, options or forward sale contracts) in relation to the Capital Notes 2.

Investors should be 'qualified persons' in relation to Distributions on the Capital Notes 2, provided Investors will continue to hold the Capital Notes 2 for at least the 'primary qualification period', will not have any financial positions or enter into any relevant risk management strategies in relation to the Capital Notes 2, and will not be under an obligation to make 'related payments' to other entities.

Investors who are individuals and who will not claim tax offsets in any one year in excess of \$5,000, will automatically be taken to be 'qualified persons' in relation to all Distributions that they receive (provided that they are not under an obligation to make a 'related payment' as described above).

The application of the franking rules to Investors will depend upon the particular circumstances of each Investor. Investors should seek independent advice as to whether they will be treated as 'qualified persons' in relation to Distributions received on the Capital Notes 2.

(c) Anti-avoidance rules

Section 177EA of the 1936 Act is an anti-avoidance provision which is designed to counter schemes where one of the purposes (other than an incidental purpose) of the scheme is to obtain imputation benefits. There are a number of different objective factors that the Commissioner may take into account in forming a view as to whether a scheme has such a purpose. Where section 177EA applies, the Commissioner may make a written determination with the effect of either:

- (i) imposing a franking debit on the distributing entity's franking account; or
- (ii) denying the imputation benefit on the distribution that flowed directly or indirectly to the relevant taxpayer.

Bendigo and Adelaide Bank has received a Private Ruling from the Commissioner of Taxation confirming that the Commissioner would not make any such determination under section 177EA in relation to the Capital Notes 2. That ruling is only binding on the Commissioner in relation to Bendigo and Adelaide Bank's tax position. However, we would not ordinarily expect the Commissioner to assert that section 177EA applied to capital notes which are classified as Additional Tier 1 capital. We also, therefore, expect the Commissioner to make a favourable Class Ruling on this issue which would be binding on the Commissioner in relation to Investors' tax positions.

The Australian Parliament has also recently passed the *Treasury Laws Amendment (2023 Measures No. 1) Act 2023* (Cth). This Act includes a provision which is targeted at certain arrangements where a franked distribution is funded, directly or indirectly, by an issue of equity interests. If the provision applies, the relevant distribution would be unfrankable. The provision should not apply to Distributions on the Capital Notes 2. This conclusion is consistent with Example 5.4 in the Explanatory Memorandum to the *Treasury Laws Amendment (2023 Measures No. 1) Bill 2023* (Cth), which concludes that the provision should generally not apply to distributions on non-share equity interests issued by an APRA regulated body with an established practice of paying fully franked distributions on its ordinary shares and non-share equity interests (such as BEN).

(d) Foreign deduction rule

Section 207-145(1)(db) of the 1997 Act operates to deny a holder the benefit of franking credits on their distribution if all or part of the distribution gives rise to an foreign income tax

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Bendigo and Adelaide Bank Limited

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deduction for the issuer. This provision should not apply to deny Holders the benefit of franking credits on the Distributions as the Distributions paid by BEN do not give rise to foreign income tax deductions for BEN and the Capital Notes 2 are classified as Additional Tier 1 capital.

1.2 Non-resident Holders

Fully franked Distributions to non-resident Holders will not be subject to dividend withholding tax.

If the Distributions are not fully franked, then the unfranked portion of any such Distribution will be subject to dividend withholding tax at the rate of 30%. This rate may be reduced if the non-resident holder is entitled to relief under a double taxation agreement with Australia. However, no dividend withholding tax will apply if the Distribution is paid to a non-resident Holder carrying on business in Australia at or through a permanent establishment of the Holder in Australia where the dividend is attributable to the permanent establishment, provided the dividend is not paid to the Holder as a trustee. In that case, the Distribution will be subject to tax broadly as described in part 1.1 of this letter.

2 Disposals of Capital Notes 2

2.1 Resident Holders

(a) Sale on-market or pursuant to Resale mechanism

A disposal of Capital Notes 2 on-market, or pursuant to a Resale as provided for in clause 7 of the Terms, will constitute a CGT event for the Investor.

Investors may make a capital gain if their capital proceeds from the disposal are more than their cost base for the Capital Notes 2 and Investors may make a capital loss if their capital proceeds from the disposal are less than their reduced cost base for the Capital Notes 2:

- (i) *Cost base or reduced cost base*: the first element of an Investor's cost base or reduced cost base for their Capital Notes 2 will be the amount subscribed for the Capital Notes 2 in accordance with this Prospectus, which will be an amount equal to the initial Face Value (\$100) of the Capital Notes 2. Other amounts associated with holding the Capital Notes 2, such as incidental costs of acquisition and disposal, may be added to the cost base.
- (ii) *Capital proceeds*: the capital proceeds that will be received by an Investor on a disposal of a Capital Notes 2, either on-market, or pursuant to a Resale, will be the sale price of the Capital Notes 2. The sale price that will be received by an Investor on the disposal of a Capital Note 2 pursuant to a Resale will be the Face Value (\$100) of the Capital Note 2. Therefore, Investors who acquire their Capital Notes 2 pursuant to the Offer under this Prospectus should not make capital gains on the disposal of their Capital Notes 2 pursuant to a Resale.

Any capital gain or capital loss made by an Investor will be aggregated with other capital gains and capital losses of the Investor in the relevant year of income to determine whether the Investor has a net capital gain or net capital loss. A net capital gain will be included in the Investor's assessable income and is subject to income tax, however the 'CGT discount' may be available to reduce the taxable gain for the Investor, as described below. A net capital loss may not be deducted against other assessable income, but may be carried forward to be offset against net capital gains realised in later income years.

If an Investor is an individual, complying superannuation entity or a trust, and they held their Capital Notes 2 for 12 months or more before a disposal of the Capital Notes 2, they will be entitled to a 'CGT discount' for any capital gain made on a disposal. The CGT discount

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entitles Investors to reduce their capital gain on the disposal of their Capital Notes 2 (after deducting available capital losses) by half, in the case of individuals and trusts, or by one-third in the case of complying superannuation entities. However, trustees should seek specific advice regarding the tax consequences of making distributions attributable to discounted capital gains.

The 'CGT discount' is not available to companies, nor can it apply to Capital Notes 2 disposed of by Investors under an agreement entered into within 12 months of the acquisition of the Capital Notes 2 by those Investors. Investors should seek independent advice to determine if their Capital Notes 2 have been held for the requisite period.

For completeness, the Australian Government has announced that Managed Investment Trusts (**MITs**) and Attribution MITs (**AMITs**) will not be entitled to the 'CGT Discount' at the trust level. This change was previously scheduled to apply from 1 July 2020, but has now been delayed and will instead apply for income years commencing on or after the date that is three months from the date of Royal Assent of the enabling legislation. While there can be no certainty at this time in relation to when this change will come into effect, the Australian Government has indicated that it is committed to legislating this measure. Once this change comes into effect, MITs and AMITs that derive capital gains will continue to be able to distribute those amounts as capital gains that may be subject to the 'CGT Discount' in the hands of those beneficiaries who are entitled to the 'CGT Discount'.

(b) Redemption of Capital Notes 2

Redemption of the Capital Notes 2 entails the Capital Notes 2 being redeemed for their Face Value pursuant to clause 5. The tax consequences of a Redemption of the Capital Notes 2 will depend upon the circumstances of Redemption. It is expected that further information would be provided to Investors by Bendigo and Adelaide Bank prior to any Redemption of the Capital Notes 2.

2.2 Non-resident holders

Any capital gain or capital loss made by a non-Australian resident Holder from the disposal of their Capital Notes 2 is likely to be disregarded on the basis that Capital Notes 2 are not likely to be "taxable Australian property" at the time of sale, unless the Capital Notes 2 were used by the non-resident in carrying on business through a permanent establishment in Australia.

3 Exchange of Capital Notes 2

On Exchange, each Holder's rights in relation to each Capital Note 2 will be terminated for an amount equal to the Face Value and that Face Value will be applied by way of payment for the subscription for the Ordinary Shares in accordance with the formula in the Terms to be allotted and issued by BEN. The income tax consequences of an Exchange for Investors will be:

- (a) there should be no capital gain or capital loss for an Investor on Exchange; and
- (b) no amount should be included in an Investor's assessable income as a consequence of an Exchange.

The first element of the cost base or reduced cost base of each Ordinary Share resulting from the Exchange of a Capital Note 2 will be a pro rata portion of the cost base of the Capital Note 2 at the time of the Exchange and the Ordinary Shares will be taken to have been acquired by Investors at the time when the Exchange occurred.

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4 CPS4 Resale and Reinvestment Offer

Bendigo and Adelaide Bank gave the CPS4 holders notice on 26 February 2024 that, in accordance with the CPS4 terms, it had made an election to resell all Participating CPS4 to the CPS4 Nominated Purchaser for their resale price on the Issue Date. Under the terms of the Reinvestment Offer, holders of CPS4 will be offered the opportunity to reinvest the proceeds of the resale of the CPS4 in Capital Notes 2. Eligible CPS4 holders who participate in the Reinvestment Offer will have the CPS4 resale proceeds (ie, \$100 per CPS4) applied to their application payment for Capital Notes 2 (ie, \$100 per Note).

The following income tax consequences will generally apply to CPS4 holders whose CPS4 are transferred to the CPS4 Nominated Purchaser, who are Australian tax residents, hold their CPS4 as capital assets, are not in the business of dealing or trading in securities and do not otherwise hold their CPS4 on revenue account for tax purposes.

CPS4 holders may wish to refer to the Taxation Summary in the prospectus for Bendigo and Adelaide Bank Limited Converting Preference Shares 4 dated 24 October 2017 which contains a summary of the tax treatment of certain entities that invested in CPS4 under the prospectus.

(a) Distributions

All CPS4 holders will also be paid the First Pro Rata Dividend in respect of their CPS4 on 25 March 2024, calculated in respect of the period from (and including) 13 March 2024 to (but excluding) 25 March 2024 in accordance with the CPS4 Terms, on each CPS4 that they hold on 13 March 2024, being the record date for the First Pro Rata Dividend, subject to and in accordance with the CPS4 Terms.

Holders of CPS4 which have not been resold as part of the Reinvestment Offer will also be paid a Second Pro Rata Dividend on 13 June 2024, calculated in respect of the period from (and including) 25 March 2024 to (but excluding) 13 June 2024 in accordance with the CPS4 Terms, on each CPS4 that they hold on 31 May 2024, being the record date for the Second Pro Rata Dividend, subject to and in accordance with the CPS4 Terms.

Bendigo and Adelaide Bank expects these dividends to be fully franked. These dividends will be subject to the same taxation treatment as other dividends paid on CPS4. In particular, Australian resident CPS4 holders should include the amount of each dividend in their assessable income. In addition, if they are not companies and they have satisfied the qualified person (related payments and holding period) rules, they should also include an amount equal to the franking credits attached to the dividend in their assessable income, in which case they should qualify for a tax offset equal to the amount of those franking credits. The comments set out in part 1.1 of this letter in relation to Distributions should be equally applicable to these dividends.

(b) CGT implications of the resale of CPS4

The disposal of CPS4 to the CPS4 Nominated Purchaser pursuant to the resale mechanism will be a CGT event for the CPS4 holders.

CPS4 holders may make a capital gain if their capital proceeds from the disposal are more than their 'cost base' for their CPS4, or may make a capital loss if their capital proceeds are less than their 'reduced cost base' for their CPS4:

- (i) *Cost base or reduced cost base*: the first element of a CPS4 holder's cost base, or reduced cost base, for their CPS4 is the amount paid by the CPS4 holder for their CPS4. Other amounts associated with the acquisition or disposal of the CPS4, such as broker fees, may be added to the cost base.

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- (ii) *Capital proceeds*: the capital proceeds that will be received by a CPS4 holder on a disposal of a CPS4 should be a cash amount equal to the resale price of each CPS4 held by the CPS4 holder, being \$100 per CPS4. The resale price is equivalent to the face value of each CPS4.

Any capital gain or capital loss made by a CPS4 holder will be aggregated with other capital gains and capital losses of the CPS4 holder in the relevant year of income to determine whether the CPS4 holder has a net capital gain or net capital loss. A net capital gain will be included in the CPS4 holder's assessable income and will be subject to income tax, however the 'CGT discount' may be available to reduce the taxable gain for a CPS4 holder who is an individual, complying superannuation entity or trust (see further above). A net capital loss may not be deducted against other assessable income, but may be carried forward to be offset against net capital gains realised in later income years.

(c) **Cost base of Capital Notes 2 acquired pursuant to Reinvestment Offer**

Where Capital Notes 2 are acquired by Participating CPS4 holders pursuant to the Reinvestment Offer, the CPS4 resale proceeds that were applied to acquire those Capital Notes 2 will be included in the cost base of an Investor's Capital Notes 2 for the purposes of determining any future gain or loss on the disposal, Conversion, Redemption or Resale of the Capital Notes 2 (see further above).

5 TFN/ABN withholding

Bendigo and Adelaide Bank is required to deduct withholding tax from payments of any Distributions that may be paid in respect of Capital Notes 2 and that are not 100% franked at the rate specified in the *Taxation Administration Regulations 2017* (currently 47% of the unfranked amount), and remit such amounts to the Australian Taxation Office, unless a Tax File Number or an Australian Business Number has been quoted by an Investor, or a relevant exemption applies (and has been notified to Bendigo and Adelaide Bank).

6 Taxation of Financial Arrangements (TOFA) rules

The Capital Notes 2 are 'equity interests' for Australian tax purposes. The TOFA rules tax certain 'financial arrangements' on an accruals or marked-to-market basis and are intended to apply to certain 'equity interests' in some limited circumstances.

The TOFA rules do not generally apply to individuals, superannuation entities or funds with assets of less than \$100 million and any other entities that have aggregated turnovers of less than \$100 million, financial assets of less than \$100 million and total assets of less than \$300 million, except in certain limited circumstances where the relevant arrangement would have been subject to accruals taxation in any event. On that basis, most Investors should not generally be subject to accruals taxation in respect of the Capital Notes 2.

In addition, to the extent an Investor is not excluded from the TOFA rules, the TOFA rules provide that the accruals, realisation, foreign exchange retranslation and, generally, the hedging financial arrangements methods, do not apply to gains or losses from a financial arrangement if the arrangement is an 'equity interest'. Therefore, only the fair value or the financial reports method may apply, depending upon an Investor's particular circumstances, to an investment in the Capital Notes 2.

Investors should seek their own taxation advice as to the potential application of the TOFA rules to their investment in the Capital Notes 2 in their particular circumstances.

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7 GST

Other than in respect of brokerage or similar fees, Investors should not be liable for GST in respect of acquiring Capital Notes 2 or on a sale, Exchange, Redemption or Resale of Capital Notes 2.

8 Stamp Duty

No stamp duty should be payable by an Investor on the acquisition (whether pursuant to the Reinvestment Offer or not), sale, Exchange, Redemption or Resale of Capital Notes 2.

9 Not financial product advice

The information contained in this opinion does not constitute financial product advice for the purposes of the Corporations Act. The Allens partnership providing this opinion is not licensed, under the Corporations Act, to provide financial product advice. To the extent that this letter contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. An Investor or prospective Investor should, before making any decision to invest in the Capital Notes 2, consider taking financial advice from a person who holds an Australian Financial Services Licence under the Corporations Act.

Allens has consented to the inclusion of this letter in the Prospectus, but this letter should not be taken as a statement about any other matter in the Prospectus or in relation to Bendigo and Adelaide Bank or the performance of any investment in Bendigo and Adelaide Bank, and is subject to the terms of Allens' consent to be named as set out in section 8.7 of the Prospectus.

Yours faithfully



ALLENS

8 Additional information

8.1 Reporting and disclosure obligations

BEN is admitted to the official list of ASX and is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. Broadly, these obligations require that BEN prepare both yearly and half yearly financial statements and a report on the operations of BEN during the relevant accounting period, together with an audit or review report by its auditor.

Copies of these and other documents lodged with ASIC may be obtained from ASIC's website and on BEN's website at www.bendigoadelaide.com.au.

BEN must ensure that ASX is continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information publicly available.

BEN has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its quoted securities. ASX maintains records of company announcements for all companies listed on ASX. BEN's announcements may be viewed on ASX's website (www.asx.com.au).

8.2 Availability of documents

BEN will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period:

- the half year results for the half year ended 31 December 2023 lodged with ASIC;
- the annual financial report for the year ended 30 June 2023 lodged with ASIC;
- any other continuous disclosure notices given by BEN under the continuous disclosure provisions of the Corporations Act and the Listing Rules in the period after the lodgement of the annual financial report for the year ended 30 June 2023 and before the lodgement of this Prospectus with ASIC; and
- the Constitution.

The half year results and the annual financial report referred to above, together with copies of all continuous disclosure notices lodged with ASX, are available at www.asx.com.au or at www.bendigoadelaide.com.au/investor-centre. The Constitution is available at www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/constitution.pdf.

All written requests for copies of the above documents should be sent by email to BEN@linkmarketservices.com.au or addressed to:

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

8.3 Rights and liabilities attaching to Capital Notes 2

The rights and liabilities attaching to CN2 are contained in the Capital Notes 2 Terms set out in Appendix A. Rights and liabilities attaching to CN2 may also arise under the Corporations Act, Listing Rules, BEN's Constitution and other laws.

8 Additional information

8.4 Rights and liabilities attaching to Ordinary Shares

Holders may receive Ordinary Shares on Exchange. The rights and liabilities attaching to the Ordinary Shares are set out in the Constitution and are also regulated by the Corporations Act, Listing Rules and the general law. This Section briefly summarises the key rights attaching to the Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of Ordinary Shareholders. Investors who wish to inspect the Constitution may do so at the registered office of BEN during normal office hours or may obtain a copy as provided under Section 8.2.

8.4.1 Voting rights

Subject to any rights or restrictions attached to any shares or class of shares, each Ordinary Shareholder is entitled to attend and vote at a general meeting of BEN. Any resolution being considered at a general meeting is to be decided on a show of hands unless a poll is demanded. On a show of hands, each Ordinary Shareholder present has one vote. On a poll, each Ordinary Shareholder has one vote for each fully paid Ordinary Share held. Partly paid shares confer that fraction of a vote which is equal to the proportion which the amount paid bears to the total issue price of the share.

In the case of an equality of votes, the Chair has, both on a show of hands and at a poll, a casting vote in addition to the vote or votes to which the Chair may be entitled as an Ordinary Shareholder or as a proxy, attorney or duly appointed representative of an Ordinary Shareholder.

8.4.2 General meetings

Subject to the Corporations Act and Listing Rules, each holder of Ordinary Shares is entitled to receive notice of general meetings of BEN and to receive all notices, accounts and other documents required to be sent to Ordinary Shareholders under BEN's Constitution, the Corporations Act or Listing Rules. BEN may, among other methods, give notice to any Ordinary Shareholder personally by leaving it at, or sending it by prepaid post to, the shareholder's registered address, or by transmitting it electronically to the email address given by the shareholder.

8.4.3 Dividend entitlement

Subject to the Corporations Act, the Constitution and the terms of issue of Ordinary Shares, the Board may resolve to pay dividends on Ordinary Shares which are considered by the Board to be appropriate, in proportion to the capital paid up on the Ordinary Shares held by each Ordinary Shareholder (subject to the rights of holders of shares carrying preferred rights). When declaring a dividend the Board may determine that payment of the dividend be effected wholly or in part by the distribution of specific assets or documents of title and in particular by the issue or transfer of paid up shares, debentures, debenture stock or grant of options of BEN or any other corporation.

8.4.4 Dividend reinvestment plan

The Board may establish and maintain one or more dividend plans under which Ordinary Shareholders may, among other alternatives, elect with respect to some or all of their Ordinary Shares to reinvest the dividend by subscribing for new Ordinary Shares in BEN.

8.4.5 Rights of Ordinary Shareholders on a winding-up of BEN

If BEN is wound up, the liquidator may divide among all or any of the contributories as the liquidator thinks fit, in specie or in kind, any part of the assets of BEN, and may vest any part of the assets of BEN in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit. Depositors and other creditors will be paid out in priority to holders of Ordinary Shares. Any surplus available will be distributed among Ordinary Shareholders in accordance with the Corporations Act.

8.4.6 Transfer of Ordinary Shares

BEN Ordinary Shares, when quoted on ASX, are transferable by:

- a written transfer in the usual or common form or in any form the Board may prescribe or in a particular case accept, duly stamped (if necessary) being delivered to BEN;
- a proper ASX Settlement Pty Ltd (ABN 49 008 504 532) transfer, which is to be in the form required or permitted by the Corporations Act or the settlement rules of ASX Settlement Pty Ltd; or
- any other electronic system established or recognised by the Listing Rules in which BEN participates in accordance with the rules of that system.

The Board may, subject to the requirements of the Corporations Act and Listing Rules, refuse to register any transfer of shares in BEN if the registration would infringe an applicable law or Listing Rule, or if the transfer concerns securities over which BEN has a lien or which are subject to forfeiture, or if it is permitted to do so under the Listing Rules.

8 Additional information

8.4 Rights and liabilities attaching to Ordinary Shares *continued*

8.4.7 Issues of further shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Board may issue, or grant options in respect of, shares on such terms as the Board decides. In particular, the Board may issue preference shares, including redeemable preference shares, with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on a winding-up of BEN.

8.4.8 Variation of rights

BEN may only modify or vary the rights attaching to any class of shares with the prior approval, by a special resolution, of the holders of shares in that class at a meeting of those holders, or with the written consent of the holders of at least 75% of the issued shares of that class. Subject to the terms of issue, the rights attached to a class of shares are not treated as varied by the issue of further shares which rank equally with that existing class for participation in profits and assets of BEN.

8.4.9 Variation of the Constitution

The Constitution can only be modified by a special resolution in accordance with the Corporations Act. Under the Corporations Act, for a resolution to be passed as a special resolution it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

8.5 Rights and liabilities attaching to NOHC ordinary shares

BEN may substitute for itself a NOHC as the debtor in respect of CN2 or as the issuer of ordinary shares on Exchange. If a NOHC is substituted as the debtor, it means that you would no longer have rights against BEN. If a NOHC is substituted as the issuer of ordinary shares on Exchange, it means that you will receive ordinary shares in the NOHC rather than BEN.

The NOHC that is substituted for BEN would be obliged to use all reasonable endeavours to procure the quotation of ordinary shares issued under the Capital Notes 2 Terms – see clause 13.2 of the Capital Notes 2 Terms. It is not expected that the rights or liabilities of the NOHC ordinary shares would be materially different to the rights and liabilities of Ordinary Shares in BEN.

8.6 Summary of the Offer Management Agreement

BEN and the Joint Lead Managers entered into the Offer Management Agreement (“**OMA**”) on 26 February 2024. Under the OMA, the Joint Lead Managers agreed to manage the Offer, including the Bookbuild and Allocation process in relation to the Offer and to provide settlement support for the settlement obligations of Syndicate Brokers and Institutional Investors under the Bookbuild.

The Joint Lead Managers have entered into the OMA with BEN on an arms’ length basis and do not accept any fiduciary obligations or any other duties to, or any fiduciary relationship with, any investor or potential investor in BEN, in connection with the Offer, CN2 or otherwise.

The following is the summary of the principal provisions of the OMA.

8.6.1 Fees

The fees payable to the Joint Lead Managers (which also includes the selling fees payable by the Joint Lead Managers to the Syndicate Brokers on BEN’s behalf) are set out in Section 9.2.2.

BEN must also pay or reimburse each Joint Lead Manager for reasonable costs of and incidental to the Offer (including reasonable expenses incurred for travel, printing and preparing presentation materials), subject to certain limits.

8.6.2 Representations, warranties and undertakings

BEN gives various representations, warranties and undertakings to the Joint Lead Managers, including that this Prospectus and certain other documents issued by BEN in respect of the Offer (“**Offer Documents**”) and the conduct of all parts of the Offer comply with in any material respect all applicable laws, including the Corporations Act, the Listing Rules, any legally binding requirements of APRA and the conditions of any ASIC instruments and ASX waivers.

With the exception of the Offer and certain other corporate actions (including the conversion of any relevant convertible or converting securities which are on issue as of the date of the OMA), BEN has also agreed that it will not, and will procure that its controlled entities do not, allot, agree to allot, announce any issue of, indicate in any way that it may or will allot, or otherwise authorise the issue, of any ASX listed hybrid or preference securities in Australia with either Tier 1 or Tier 2 Capital status before 60 days after the issue of CN2 without the Joint Lead Managers’ prior written consent.

8 Additional information

8.6 Summary of the Offer Management Agreement *continued*

8.6.3 Indemnity

BEN has agreed to indemnify the Joint Lead Managers and certain affiliated parties against all claims, demands, damages, losses, costs, expenses, imposts and liabilities suffered by them arising directly or indirectly from the Offer or the OMA. This indemnity is subject to limited exclusions, including exclusions for certain losses that have resulted from the fraud, recklessness, wilful misconduct or negligence of an indemnified party, losses which are attributable to any amount in respect of which an indemnity would be illegal, void or unenforceable under any applicable law, or where losses are a criminal penalty or fine which the indemnified party is required to pay in connection with a contravention by it of the Corporations Act.

8.6.4 Termination Events

Each Joint Lead Manager may at any time up to 3:00pm on the Settlement Date terminate its obligations under the OMA by notice to BEN and the other Joint Lead Managers if it becomes aware of the happening of any one or more of the following events:

- a) the credit rating assigned to BEN on 26 February 2024 by Standard & Poor's or Moody's is downgraded or withdrawn (other than a downgrade by Moody's of BEN's senior unsecured rating which is attributable to changes by Moody's to its ratings methodology); or
- b) a material contravention by BEN or any of its controlled entities of the Corporations Act, any legally binding requirement of ASIC, APRA or ASX, its constitution or any of the Listing Rules or other applicable law or regulation; or
- c) any of the Offer Documents do, or any aspect of the Offer does, not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation; or
- d) BEN issues without the prior written consent of the Joint Lead Managers, or in the reasonable opinion of that Joint Lead Manager becomes required to issue, a supplementary prospectus pursuant to section 719 (other than a replacement prospectus to be issued with the inclusion of the Margin) of the Corporations Act; or
- e) BEN fails to deliver the completion certificate in accordance with the OMA; or
- f) approval is refused or not granted, other than subject to customary conditions, to the official quotation of all CN2 on ASX on or before the Settlement Date, or if granted, the approval is subsequently withdrawn, qualified or withheld; or
- g) any of the following notifications are made:
 - ASIC gives notice of an intention to hold a hearing, issues an order or issues an interim order under section 739 of the Corporations Act in relation to the Offer or Offer Documents;
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer Documents or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities & Investments Commission Act 2001* (Cth) in relation to the Offer or the Offer Documents, and such application, investigation or hearing (as applicable) whether or not withdrawn becomes publicly known, or has not been withdrawn within two Business Days after it is made or prior to the Settlement Date, whichever is earlier; or
 - any person (other than the Joint Lead Manager seeking to terminate) who has previously consented to the inclusion of its name in this Prospectus (or any supplementary prospectus) or to be named in this Prospectus withdraws that consent; or
- h) BEN withdraws, or publicly indicates that it does not intend to proceed with, this Prospectus or the Offer other than in accordance with the OMA; or
- i) the S&P/ASX All Ordinaries Index or the S&P/ASX 200:
 - falls to a level that is 82.5% or less than its prescribed starting level at any time up to the Issue Date; or
 - is below 87.5% of its prescribed starting level at the close of trading for any three consecutive Business Days or on any day within the three Business Days prior to the Issue Date; or
- j) BEN or any of its directors or officers (as that term is defined in the Corporations Act), engage in any fraudulent conduct or activity whether or not in connection with the Offer; or
- k) any licence, permit, authorisation or consent which is material to anything referred to in the Offer Documents or necessary to conduct the business of BEN or a controlled entity of BEN is repealed, revoked, terminated or expires in a manner unacceptable to the Joint Lead Managers acting reasonably; or
- l) BEN is insolvent (as set out in the OMA) or there is an act or omission made which may result in BEN becoming insolvent; or

8 Additional information

8.6 Summary of the Offer Management Agreement *continued*

- m) a director of BEN is charged with an indictable offence relating to any financial or corporate matter or fraudulent or misleading or deceptive conduct, or any government agency commences any public action against any of BEN's directors in their capacity as a director of BEN, or a director of BEN is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
- n) BEN is prevented from allotting and issuing CN2 within the time required by the timetable under the OMA, Corporations Act, Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency; or
- o) BEN withdraws, or ASIC issues an order in relation to, the Target Market Determination (including any amended or replacement determination); or
- p) the occurrence of:
- a suspension or limitation (in each case persisting for at least one Business Day) in trading in securities generally on ASX, the New York Stock Exchange and/or the London Stock Exchange;
 - a suspension or limitation (in each case persisting for at least one Business Day) in trading in BEN's securities on ASX (other than a trading halt in connection with the Offer);
 - a general moratorium on commercial banking activities in Australia, New Zealand, the United States or the United Kingdom is declared by the relevant authorities, or there is a material disruption in commercial banking or securities settlement or clearance services in those places; or
 - the occurrence of any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls in Australia, New Zealand, Singapore, Hong Kong or the United States, the United Kingdom or elsewhere; or
- q) there is a Tax Event (within the meaning of the Capital Notes 2 Terms); or
- r) any government agency commences any public action against BEN (including a prosecution of or a hearing or investigation into, BEN), or announces that it intends to take such action; or
- s) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Israel, the United Kingdom, Indonesia, Japan, Russia or the People's Republic of China, Iraq, North or South Korea, or any member state of the European Union or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries or elsewhere in the world; or
- t) a change in the Board of Directors occurs or there is a change to the Chief Executive Officer or Chief Financial Officer of BEN; or
- u) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia or the Parliament of New Zealand, a new law, or the Reserve Bank of Australia, or any Commonwealth or State or New Zealand authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before 26 February 2024), any of which does or is likely to prohibit or adversely affect the Offer, capital issues or stock markets; or
- v) a default by BEN in the performance or observance of any of its obligations under the OMA occurs; or
- w) a representation or warranty made or given, or deemed to have been made or given by BEN under the OMA proves to be, or to have been, or becomes not true or not correct; or
- x) the completion certificate under the OMA is not true or correct; or
- y) the due diligence report of the due diligence committee established in connection with the Offer or any other information supplied by or on behalf of BEN to a Joint Lead Manager in relation to BEN and its controlled entities or the Offer is misleading or deceptive (including by omission); or
- z) any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation; or

8 Additional information

8.6 Summary of the Offer Management Agreement *continued*

- aa) any event specified in the timetable in the OMA is delayed for more than 5 Business Days without the prior written approval of the Joint Lead Managers (such approval not to be unreasonably withheld); or
- ab) BEN alters its share capital (other than in a way contemplated in this Prospectus or by the OMA) or its Constitution (other than as notified in writing to the Joint Lead Managers prior to the date of the OMA) in any material respect without first obtaining the written consent of the Joint Lead Managers (which will not be unreasonably withheld or delayed); or
- ac) a member of the Bank Group (other than BEN) is insolvent (as set out in the OMA) or there is an act or omission made which may result in a member of the Bank Group (other than BEN) becoming insolvent; or
- ad) any adverse change occurs (or becomes known), after lodgement of this Prospectus in the assets, liabilities, financial position or performance, profits, losses or prospects of BEN, or BEN and its controlled entities (taken as a whole), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of BEN, or BEN and its controlled entities (taken as a whole), from those respectively disclosed in:
- this Prospectus; or
 - any publicity, media statements, announcements, advertisements, presentations or other materials produced, used or made by or on behalf of BEN with BEN's prior approval in connection with the Offer; or
 - public announcements and other media statements made by or on behalf of BEN with BEN's prior approval in relation to the affairs of BEN or its controlled entities, in the period from the lodgement date of this Prospectus until the time when all of CN2 have been issued in accordance with the Offer (taken together and having regard to the extent to which later statements may supersede earlier statements),
- but excluding the Target Market Determination (or any amended or replacement determination); or
- ae) there occurs a new circumstance that has arisen since this Prospectus was lodged that would have been required to be included in this Prospectus if it had arisen before this Prospectus was lodged in relation to BEN or any of its controlled entities (other than the replacement prospectus to be issued with the inclusion of the Margin); or
- af) the occurrence of a review trigger or an event or circumstance that would reasonably suggest the Target Market Determination is no longer appropriate; or
- ag) BEN amends or replaces the Target Market Determination.

If an event referred to in any of paragraphs (p) to (ag) occurs, a Joint Lead Manager may not terminate its obligations under the OMA unless, in the actual and reasonable opinion of that Joint Lead Manager, the event has or is likely to have a materially adverse effect on the outcome of the Offer or on settlement of the Offer, or leads or is likely to lead to a Joint Lead Manager (i) being involved in a contravention of the Corporations Act or any other applicable law, or (ii) incurring a liability under the Corporations Act or any applicable law, regulation, treaty, or administrative action.

8 Additional information

8.7 Consents

Each of the parties (referred to as “**Consenting Parties**”) who are named below:

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than the references to its name and, in the case of Allens, its Australian Tax Letter in Section 7;
- does not accept responsibility for any statements in this Prospectus other than the references to its name and, in the case of Allens, its Australian Tax Letter in Section 7, or omissions from this Prospectus;
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named; and
- in the case of Allens, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the Australian Tax Letter in the form and context in which it appears in Section 7.

Role	Consenting Parties
Arranger	Westpac Institutional Bank (a division of Westpac Banking Corporation)
Joint Lead Managers	ANZ Securities Limited Commonwealth Bank of Australia National Australia Bank Limited Ord Minnett Limited UBS AG, Australia Branch Westpac Institutional Bank (a division of Westpac Banking Corporation)
Auditor	Ernst & Young
Legal and tax adviser	Allens
Co-Manager	JBWere Ltd LGT Crestone Wealth Management Limited Wilsons Advisory and Stockbroking Limited
Registry	Link Market Services Limited

8.8 ASX confirmations

ASX has confirmed that:

- Listing Rules 3.20.2 and 3.20.5 and Appendix 3A will not apply to the Exchange of CN2 following a Non-Viability Trigger Event or a Capital Trigger Event;
- Listing Rule 6.12 does not apply to the Capital Notes 2 Terms which provide for the Exchange, Redemption or Resale of CN2;
- the terms of CN2 are appropriate and equitable under Listing Rule 6.1;
- CN2 are not ‘preference securities’ for the purposes of Listing Rules 6.4 to 6.7;
- ASX will classify CN2 as ‘convertible debt securities’ for the purposes of the ASX Listing Rules;
- the constraints on the payment of Distributions, the potential exercise of limited amendment powers and a ‘write off’ under clause 4.6 of the Capital Notes 2 Terms following a Capital Trigger Event or Non-Viability Trigger Event do not amount to a removal of a right to a Distribution for the purposes of Listing Rule 6.10;
- the divestment of CN2 from Holders as a result of Exchange, Redemption or Resale, or a Write-Off under clause 4.6 of the Capital Notes 2 Terms following a Capital Trigger Event or Non-Viability Trigger Event, is appropriate and equitable for the purposes of ASX Listing Rule 6.12;
- for the purposes of Listing Rules 7.1, in connection with the issue of CN2 under the Offer, BEN may calculate the maximum number of Ordinary Shares to be issued on Exchange of CN2 based on the VWAP (as defined in the Capital Notes 2 Terms) over the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the date of issue of the initial Prospectus for the Offer; and
- the issue of Ordinary Shares on Exchange of CN2 will be:
 - within Exception 9 in Listing Rule 7.2; and
 - within Exception 7 in Listing Rule 10.12.

8 Additional information

8.8 ASX confirmations *continued*

ASX has granted a waiver of Listing Rule 10.11 to the extent necessary to permit Directors and their associates to participate in the Offer and to be issued CN2 without Ordinary Shareholder approval, provided that:

- the number of CN2 which may be issued to Directors and their associates collectively is no more than 0.2% of the total number of CN2 issued under the Offer, and the participation of the Directors and their associates in the Offer is on the same terms and conditions as applicable to other subscribers for CN2;
- BEN releases the terms of the waiver to the market when it announces the Offer; and
- when CN2 are issued, BEN announces to the market the total number of CN2 issued to the Directors and their associates in aggregate under the Offer.

8.9 Foreign selling restrictions

As at the date of this Prospectus, no action has been taken to register or qualify CN2 or the Offer or to otherwise permit a public offering of CN2 outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law. If you come into possession of this Prospectus outside Australia, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In particular, CN2 have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, a US Person.

Any offer, sale or resale of CN2 in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act. CN2 may have been offered in a jurisdiction outside Australia under the Offer where such offer was made in accordance with the laws of that jurisdiction.

Each person submitting an Application will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 8.9 and to have represented and warranted that it is able to apply for and acquire CN2 in compliance with those restrictions.

8.10 Acknowledgements

By submitting an Application, each Applicant will be deemed to have:

- represented and warranted that they have read and understood the Prospectus and accompanying Application in full;
- represented and warranted that all details and statements on their Application are complete and accurate;
- declared that they have made the warranties, representations and acknowledgements contained in this Prospectus and the Application;
- acknowledged that they understand the Capital Notes 2 Terms and have had the opportunity to consider the suitability of an investment in CN2 with their professional advisers;
- declared that the Applicant (if a natural person) is at least 18 years old;
- declared that the Applicant is not residing in a member state of the European Union, and is not in the United States or other place outside Australia or a US Person, nor acting for the account or benefit of any US Person;
- declared that the Applicant is an Australian resident;
- declared that the Applicant has provided evidence to their Syndicate Broker that they satisfy the eligibility requirements set out in the TMD and described in the "Design and distribution obligations" section at the front of this Prospectus and in Sections 3.2.1 and 4.3.1 (as applicable), including (if they are a retail investor) that they have received personal financial product advice from a financial adviser to acquire CN2;
- represented and warranted that the laws of any other place do not prohibit the Applicant from being given the Prospectus or any supplementary or replacement Prospectus or making an application on the Application or being issued with CN2;
- provided authorisation to be registered as the holder of CN2 issued to the Applicant, to become a member of BEN, and agreed to be bound by the Constitution, this Prospectus, the Deed Poll and the Capital Notes 2 Terms;
- applied for the number of CN2 set out or determined in accordance with the Application and agreed to be allocated that number of CN2 or a lesser number or none at all;

8 Additional information

8.10 Acknowledgements *continued*

- acknowledged that CN2 are not deposit liabilities of BEN, are not protected accounts for the purposes of the Banking Act or Financial Claims Scheme, are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person;
- acknowledged that CN2 give Holders no claim on BEN except as provided in the Capital Notes 2 Terms, and that the investment performance of CN2 is not guaranteed by BEN, any other member of the BEN Group or any other person;
- acknowledged that, in some circumstances, BEN may not pay Distributions or any other amount payable in respect of CN2;
- authorised BEN and the Joint Lead Managers to do anything on the Applicant's behalf reasonably necessary for CN2 to be allocated to them;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement Prospectus) is not investment advice or a recommendation that CN2 are suitable for them, given their investment objectives, financial situation or particular needs;
- acknowledged that their Application to acquire CN2 is irrevocable and may not be varied or withdrawn except as allowed by law;
- acknowledged it is their responsibility to ensure that they provide accurate Australian dollar bank account details to the Registry and keep their bank account details up to date, and that neither BEN nor the Registry is responsible for any losses incurred if they fail to do one or both of these things; and
- acknowledged that an Application may be rejected without giving any reason, including where the Application is not properly completed.

By applying to participate in the Reinvestment Offer, each relevant Applicant will be deemed to have:

- represented and warranted to BEN and the Nominated Purchaser that they are an Eligible CPS4 Holder;
- represented and warranted to BEN and the Nominated Purchaser that they have good title to the CPS4 the subject of their Application, and that the Nominated Purchaser will receive good title to those CPS4 free from any encumbrance or security interests on the CPS4 Resale Proceeds being paid to them;
- directed the Nominated Purchaser to pay the CPS4 Resale Proceeds for each CPS4 the subject of their Application to BEN as the Application Monies for CN2;
- applied to BEN for a corresponding number of CN2, at \$100 per CN2;
- agreed not to transfer their Reinvested CPS4 and consent to, and authorise BEN and its Related Bodies Corporate and their respective officers to request, the application of a holding lock on those Reinvested CPS4;
- appointed BEN and its officers as their attorney and agent to execute a master transfer form to transfer to the Nominated Purchaser the CN2 the subject of their Application, in such form as BEN or the relevant officer determines, and to transfer those CN2 to the Nominated Purchaser; and
- authorised BEN to take all steps that are reasonably necessary to give effect to the reinvestment of their CPS4 Resale Proceeds the subject of their Application.

8.11 Privacy statement

If you apply for CN2, you will provide personal information to BEN or its agents (including the Registry). BEN and its agents collect, hold and use your personal information in order to assess and process your Application, service your needs as a Holder, provide facilities and services that you request, send you information about the products and services of members of the BEN Group, including future offers of securities, carry out appropriate administration of your investment and as otherwise required or authorised by law. If you become a Holder, your information may also be used for purposes related to your investment.

Company and tax laws require some of the information to be collected. You may choose not to provide your personal information or to limit the information you provide, in which case BEN may not be able to process your Application, administer your CN2, or make payments to you.

Some of the information which will be collected is required pursuant to laws relating to taxation, companies, money-laundering and counter-terrorism. If you do not provide the information requested, your CN2 Application may not be able to be processed efficiently, or at all.

8 Additional information

8.11 Privacy statement *continued*

BEN may disclose your personal information for purposes related to your investment to ASX, its Related Bodies Corporate, its agents and organisations that carry out functions on the Bank Group's behalf, such as mailing houses and information technology service providers. Confidentiality agreements with these entities ensure your personal information is only used to carry out functions on the Bank Group's behalf. BEN may also disclose your personal information to domestic and overseas regulators or other government agencies (including ASIC and the Australian Taxation Office), stock exchanges, and the public by way of public registers maintained by regulators or other bodies.

If you become a Holder, your personal information may also be shared with the Bank Group and its joint ventures so that you can be told about products and services, including future offers of securities, offered or distributed by the Bank Group or its joint ventures, or other matters concerning the Bank Group generally that BEN thinks may be of interest to you.

If you do not want your personal information to be used for these purposes, you should contact BEN on the contact details below. It is important that you contact BEN if you do not consent to this use because, by investing in CN2, you will be taken to have consented.

Some disclosures may be to recipients outside of Australia as set out in our privacy policy available at www.bendigoadelaide.com.au/privacy/privacy-policy

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) BEN. You can request access to your personal information held by BEN by contacting BEN as follows:

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

A copy of the privacy policy of BEN is available at www.bendigoadelaide.com.au/privacy/privacy-policy. This contains further information about how you may access and seek correction of the personal information that BEN holds about you, how you may complain about a breach of the Privacy Act by BEN and how BEN will deal with such a complaint.

8.12 Governing Law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

8.13 Directors' statement

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC.

8.14 Meetings

The Deed Poll includes provisions for convening meetings of the Holders to consider certain matters affecting their interests, including any variation of the Capital Notes 2 Terms or the Deed Poll that are materially prejudicial to the interests of the Holders as a whole. APRA's prior written approval to amend the Capital Notes 2 Terms or the Deed Poll is required only where the amendment may affect the eligibility of CN2 as a Relevant Security.

An ordinary resolution or a Special Resolution passed at a meeting of the Holders duly called and held under the meeting provisions will be binding on all the Holders whether or not present or voting at the meeting (or signing a written resolution). On a poll, each Holder will be entitled to one vote for each CN2 with respect to which it is the registered holder.

A Holder has no entitlement to attend or vote at a general meeting of BEN or to receive a copy of the BEN annual report or other financial information sent to holders of Ordinary Shares.

9 Key people, interests and benefits

This Section provides information about the Board of Directors, the interests of people involved in the Offer and any benefits they may receive.

9.1 Key BEN personnel

9.1.1 Board

The roles and responsibilities of the Directors are set out in the BEN Board Charter. The BEN Board Charter and further information on the Directors can be found on BEN's website at www.bendigoadelaide.com.au/esg/governance and www.bendigoadelaide.com.au/about-us/our-directors respectively.

The Directors are:

- David Foster, Chair
- Marnie Baker, CEO & Managing Director
- Vicki Carter
- Richard Deutsch
- David Matthews
- Alistair Muir
- (Patricia) Margaret Payn
- Victoria Weekes

9.1.2 Executives

Further information on the Executives can be found on BEN's website at www.bendigoadelaide.com.au/about-us/our-executive.

The Executives are:

- Marnie Baker, CEO & Managing Director
- Ryan Brosnahan, Chief Transformation Officer
- Taso Corolis, Chief Risk Officer
- Richard Fennell, Chief Customer Officer, Consumer Banking
- Andrew Morgan, Chief Financial Officer
- Adam Rowse, Chief Customer Officer Business and Agribusiness
- Bruce Speirs, Chief Operating Officer
- Louise Tebbutt, Chief People Officer

9.2 Interests and benefits

9.2.1 Directors

Under the Constitution each Director is required to hold, or be the beneficial owner of, both at the time of their appointment and during their period of office as a Director, 500 fully paid Ordinary Shares in BEN.

The relevant interest of each Director (in accordance with section 205G of the Corporations Act) in Ordinary Shares of BEN or a related body corporate at the date of this Prospectus is as follows:

Director	Ordinary Shares No.	Other listed securities No.	Performance rights No.
David Foster	13,170	—	—
Marnie Baker	1,404,696	Total: 100 BENPG: 50 BENPH: 50	Total: 299,723 Performance Rights: 253,025 STI Rights: 46,698
Vicki Carter	24,850	—	—
Richard Deutsch	10,391	—	Rights to Shares (BENAAD): 2,207
David Matthews	49,137	—	—
Alistair Muir	1,043	—	—
Margaret Payn	10,000	—	—
Victoria Weekes	11,901	—	Rights to Shares (BENAAD): 2,207

A fee sacrifice Rights to Shares Plan was introduced in FY21 for Non-executive Directors (NEDs) on an opt-in basis under the terms of the BEN Omnibus Equity Plan. Vested (restricted) shares must be held for the earlier of 15 years or the NED's retirement from the Board. Full plan details are set out in BEN's annual financial report for the year ended 30 June 2023.

9 Key people, interests and benefits

9.2 Interests and benefits *continued*

Directors may choose to apply for CN2 under this Prospectus, subject to the terms of the Listing Rule 10.11 waiver referred to in Section 8.8.

The Directors (and their associates) may acquire CN2 offered under this Prospectus subject to the Listing Rules (including any waivers as described in Section 8.8).

Other than as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of BEN;
- the Offer; or
- any property acquired or proposed to be acquired by BEN in connection with the formation or promotion of BEN or the Offer.

Other than as set out in this Prospectus, at the time of lodgement of this Prospectus with ASIC no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of BEN or the Offer.

BEN's Constitution contains provisions as to remuneration of the Directors. As remuneration for services as a Director, each non-executive Director is paid an amount determined by the Board, subject to a maximum annual aggregate amount determined by Ordinary Shareholders in a general meeting. The maximum annual aggregate amount has been set at \$2.5 million (excluding retirement benefits).

Each Director may also be paid additional remuneration for performance of additional services and is entitled to reimbursement of reasonable out-of-pocket expenses. The remuneration of the Managing Director may be fixed by the Board. The Remuneration Report can be found in BEN's most recent audited annual financial report.

BEN has entered into a director's access insurance and indemnity deed with each Director. Under that deed, a Director is entitled (among other things) to be indemnified against liabilities incurred as a Director to the extent permitted by law. They are also permitted to be indemnified under the Constitution and BEN may enter and pay premiums on directors' and officers' insurance policies for their benefit.

9.2.2 Professionals

Westpac Institutional Bank (a division of Westpac Banking Corporation) has acted as the Arranger and a Joint Lead Manager to the Offer, each of ANZ Securities Limited, Commonwealth Bank of Australia, National Australia Bank Limited, Ord Minnett Limited and UBS AG, Australia Branch have acted as Joint Lead Managers to the Offer, and each of JBWere Ltd, LGT Crestone Wealth Management Limited and Wilsons Advisory and Stockbroking Limited have acted as Co-Managers to the Offer, in respect of which they will receive fees from BEN.

The estimated aggregate fees payable by BEN to the Arranger and Joint Lead Managers are approximately \$3.625 million (exclusive of GST). The estimated aggregate fees include a joint lead manager fee split between the Joint Lead Managers based on the volume of Applications attributable to each Joint Lead Manager, selling fees payable to Syndicate Brokers and a fee paid by BEN to the Arranger (as separately agreed between the Arranger and BEN).

The Joint Lead Managers and their respective affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents (the "**Dealer Groups**") are involved in a wide range of financial services and businesses in respect of which they may receive fee and other benefits and out of which conflicting interests or duties may arise. These services and businesses may include issuing securities, securities trading, brokerage activities, provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services or the provision of finance, including in respect of securities of, or loans to BEN or the BEN Group. In the ordinary course of these activities, each Dealer Group may at any time hold long or short positions and may trade or otherwise effect transactions, or take or enforce security, for its own account or the accounts of customers or investors, in debt, equity or hybrid securities or senior loans or financial products of any of BEN or the BEN Group or any other party that may be involved in the Offer, and may finance the acquisition of those securities and/or financial products and take or enforce security over those securities and/or financial products.

9 Key people, interests and benefits

9.2 Interests and benefits *continued*

Ernst & Young has provided accounting and due diligence services in relation to the Offer. BEN estimates that it will pay approximately \$125,000 (excluding disbursements and GST) to Ernst & Young for this work. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.

Allens has acted as Australian legal and tax adviser to BEN in relation to the Offer, and has performed work in relation to drafting the Capital Notes 2 Terms, advised on the due diligence and verification program, undertaken due diligence in respect of certain legal matters and prepared the Australian Tax Letter contained in Section 7. BEN estimates that it will pay approximately \$415,000 (excluding disbursements and GST) to Allens for this work. Further amounts may be paid to Allens in accordance with the terms of their engagement with BEN.

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, a promoter of BEN or Joint Lead Manager to the Offer:

- holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
 - the formation or promotion of BEN;
 - the Offer; or
 - any property acquired or proposed to be acquired by BEN in connection with the formation or promotion of BEN or the Offer; or
- has paid or agreed to pay any amount, and no one has given or agreed to give any benefit for services provided by that person in connection with the formation or promotion of BEN or the Offer.

9.3 Expenses of the Offer

The total expenses of the Offer will be paid out of the proceeds of the Offer. Assuming the Offer raises \$250 million, then the net proceeds of the Offer are expected to be approximately \$245 million and the total expenses of the Offer (including fees payable to the Joint Lead Managers, legal, accounting, tax, marketing, administrative fees, as well as printing, advertising and other expenses related to this Prospectus and the Offer) are expected to be approximately \$5 million (including GST). All of these expenses have been, or will be, borne by BEN.

Appendix A Capital Notes 2 Terms

1 Form of Capital Notes 2 and ranking

1.1 Form

- (a) Capital Notes 2 are non-cumulative, convertible, perpetual, subordinated, unsecured notes of BEN, issued in registered form by entry in the Register.
- (b) Each entry in the Register evidences a separate and independent obligation which BEN owes to the relevant Holder, which that Holder may enforce without joining any other Holder or any previous Holder.
- (c) No certificates will be issued to Holders unless BEN determines that certificates should be available or if it is required to provide certificates by any applicable law, regulation or directive.

1.2 Initial Face Value

Each Capital Note 2 is issued fully paid with an initial Face Value of A\$100.

1.3 CHESS

The Capital Notes 2 will be registered in CHESS. While Capital Notes 2 remain in CHESS, all dealings (including transfers and payments) in relation to Capital Notes 2 within CHESS, and the rights and obligations of each Holder, are subject to the rules and regulations of CHESS. To the extent there are inconsistencies between the rules and regulations of CHESS and the Terms, the Terms prevail.

1.4 ASX quotation

BEN must use all reasonable endeavours to procure that Capital Notes 2 are quoted on ASX on or as soon as possible after the Issue Date.

1.5 Payment and ranking in a winding up of BEN

- (a) If an order is made by a court of competent jurisdiction in Australia (other than an order successfully appealed or permanently stayed within 60 days), or an effective resolution is passed, for the winding up of BEN in Australia, BEN must redeem each Capital Note 2 for its Face Value in accordance with this clause 1.5.
- (b) Holders do not have any right to prove in a winding up of BEN in respect of Capital Notes 2, other than a right to prove in a winding up of BEN in Australia as permitted under clauses 1.5(c) and 1.5(d).
- (c) Each Capital Note 2 ranks for payment in a winding up of BEN in Australia:
 - (i) after the claims of all holders of Senior Ranking Obligations;
 - (ii) equally with each Holder and holders of Equal Ranking Securities; and
 - (iii) ahead of holders of Junior Ranking Securities.
- (d) In order to give effect to the ranking specified in clause 1.5(c), in any winding up of BEN in Australia, the claims of Holders are limited to the extent necessary to ensure that:
 - (i) all holders of Senior Ranking Obligations receive payment in full (including in respect of any entitlement to interest under section 563B of the Corporations Act) before any payment is made to Holders; and
 - (ii) Holders of Capital Notes 2 and holders of any Equal Ranking Securities receive payments on a pro-rata basis.
- (e) Holders may not exercise voting rights as a creditor in respect of Capital Notes 2 in a winding up of BEN to defeat the subordination in this clause 1.5.
- (f) Capital Notes 2 are perpetual and the Terms do not include events of default or any other provisions entitling the Holders to require that Capital Notes 2 be Redeemed other than under this clause 1.5. Holders do not have any right to apply for the winding up or administration of BEN, or to cause a receiver, or receiver and manager, to be appointed in respect of BEN, on the ground of BEN's failure to pay Distributions or for any other reason.

Appendix A Capital Notes 2 Terms

- (g) Each Holder irrevocably agrees that:
- (i) this clause 1.5 is a debt subordination for the purposes of section 563C of the Corporations Act;
 - (ii) it does not have, and waives to the maximum extent permitted by law, any entitlement to interest under section 563B of the Corporations Act to the extent that a holder of a preference share that is an Equal Ranking Security would not be entitled to such interest;
 - (iii) it must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding up of BEN in respect of a Capital Note 2 in excess of its entitlement under this clause 1.5; and
 - (iv) the debt subordination effected by this clause 1.5 is not affected by any act or omission of BEN or a holder of a Senior Ranking Obligation which might otherwise affect it at law or in equity.
- (h) To avoid doubt but subject to clause 4.6, if a Capital Trigger Event or Non-Viability Trigger Event has occurred, Holders will rank for payment in a winding up of BEN in Australia as holders of the number of Ordinary Shares to which they became entitled under clauses 4.1 or 4.2.

1.6 No netting or set off

Capital Notes 2 are not subject to netting and, without limitation:

- (a) BEN has no right to set-off any amounts owing by it to a Holder in respect of Capital Notes 2 against any claims owing by the Holder to it or to any member of the BEN Group;
- (b) no Holder has any right to set-off any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce the amount payable by BEN in respect of Capital Notes 2 to the Holder; and
- (c) no Holder has any rights of set-off or claims against BEN or any member of the BEN Group if BEN does not pay a Distribution when scheduled under these Terms.

1.7 Nature of obligations

- (a) Capital Notes 2 are not deposit liabilities of BEN or "protected accounts" for the purposes of the Banking Act or Financial Claims Scheme.
- (b) The Capital Notes 2 are not obligations of the Australian Government or of any other government and, in particular, are not guaranteed or insured by the Australian Government or any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person.

1.8 No other rights

Before Exchange, Capital Notes 2 confer no rights on a Holder:

- (a) to attend or vote at any meeting of BEN members;
- (b) to subscribe for new securities of BEN or to participate in any bonus issues of securities of BEN; or
- (c) to otherwise participate in the profits or property of BEN, except by receiving payments as set out in these Terms.

1.9 No limitations on dealing with other securities

Nothing in these Terms limits the ability of BEN or any other member of the BEN Group, in its absolute discretion from time to time, to:

- (a) allot or issue notes, shares or other securities of any kind, whether ranking equally with, in priority to or junior to or having different rights from, the Capital Notes 2;
- (b) redeem, convert, buy back, return or distribute capital in respect of any share capital or any other securities of any kind, whether ranking equally with, in priority to or junior to or having different rights from, the Capital Notes 2; or
- (c) incur or guarantee any indebtedness upon such terms as BEN or any other member of the BEN Group thinks fit in its sole discretion.

Appendix A Capital Notes 2 Terms

2 Distributions

2.1 Distributions

- (a) Each Capital Note 2 bears interest on its Face Value during each Distribution Period from (and including) the Issue Date to (but excluding) the Exchange Date or Redemption Date for that Capital Note 2, at the Distribution Rate.
- (b) Interest on each Capital Note 2 is payable in cash in arrears on each Distribution Payment Date.
- (c) Payment of interest on each Capital Note 2 is subject to clauses 2.5, 2.6 and 11.

2.2 Distribution Rate determination

- (a) The Distribution Rate (expressed as a percentage per annum) for each Distribution Period is the rate calculated in accordance with the following formula:

$$\text{Distribution Rate} = (\text{Market Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

- (b) For the purposes of this clause 2.2:

- (i) **Market Rate** means:

- (A) subject to paragraph (B), the Bank Bill Swap Reference Rate administered by ASX Benchmarks Pty Limited (or any other person that takes on the administration of that rate) expressed as a percentage per annum for a term of 3 months as displayed on the "BBSW" page published through information vendors (or any page that replaces that page) on the first Business Day of the Distribution Period, provided that where Capital Notes 2 are Resold, Exchanged or Redeemed on a day which is not a scheduled Distribution Payment Date, and a Distribution is payable, then the Market Rate for the Distribution Period commencing on the Resale Date, Exchange Date or Redemption Date (as applicable) in respect of such Capital Notes 2 shall be the Market Rate for the Distribution Period preceding the relevant Resale Date, Exchange Date, or Redemption Date; and

- (B) if BEN determines that a Market Rate Disruption Event has occurred, then, BEN shall:

- (1) use as the Market Rate such Alternative Market Rate as it may determine; and
- (2) make such adjustments to the Terms as it determines to be reasonably necessary to calculate Distributions in accordance with such Alternative Market Rate,

provided that APRA's prior written approval is required in respect of such adjustment arising from an event that is specified in paragraph (C) or (D) of the definition of "Market Rate Disruption Event" in clause 2.2(b)(ii); and

- (C) in making the above determinations in paragraph (B), BEN:

- (1) shall act in good faith and in a commercially reasonable manner;
- (2) may consult such sources of market practice as it considers appropriate; and
- (3) may otherwise make such determination in its discretion;

- (ii) A **Market Rate Disruption Event** occurs when, in BEN's opinion, the rate in paragraph (A) of the definition of "Market Rate" in clause 2.2(b)(i):

- (A) is not published by 10:30am or such other time that BEN considers appropriate on that day;
- (B) is published but is affected by an obvious error;
- (C) has been discontinued or otherwise ceased to be calculated or administered; or
- (D) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of Capital Notes 2;

Appendix A Capital Notes 2 Terms

- (iii) **Alternative Market Rate** means a rate other than the rate described in paragraph (A) of the definition of “Market Rate” in clause 2.2(b)(i), that is, in BEN’s opinion, generally accepted in the Australian market as the successor to the Market Rate, or if there is no such rate:
- (A) a reference rate that is, in BEN’s opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to Capital Notes 2; or
 - (B) such other reference rate as BEN considers appropriate having regard to available comparable indices, and provided that, BEN reserves the discretion to incorporate an adjustment (which may be positive or negative) or a formula or methodology for calculating such an adjustment in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit to Holders as a result of the use of an Alternative Market Rate. APRA’s prior written approval is required in respect of the Alternative Market Rate or any such adjustment arising from an event that is specified in paragraph (C) or (D) of the definition of “Market Rate Disruption Event” in clause 2.2(b)(ii). Holders should note that APRA’s approval may not be given for any Alternative Market Rate it considers to have the effect of increasing the Distribution Rate contrary to APRA’s prudential standards;
- (iv) **Margin** means the rate (expressed as a percentage per annum) determined under the Bookbuild; and
- (v) **Tax Rate** means the Australian corporate tax rate applicable to the franking account of BEN on the relevant Distribution Payment Date (expressed as a decimal).

2.3 Calculation of Distributions

The Distribution payable on each Capital Note 2 for each Distribution Period is calculated in accordance with the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times \text{Face Value} \times N}{365}$$

where:

N means, in respect of a Distribution Period, the number of days in that Distribution Period.

2.4 Adjustment to calculation of Distributions if not fully franked

If any Distribution is not franked to 100% under Part 3-6 of the Tax Act (and any provisions that revise or replace that Part), the Distribution will be calculated in accordance with the following formula:

$$\text{Distribution payable} = \frac{D}{1 - [T \times (1 - F)]}$$

where:

D means the Distribution calculated under clause 2.3;

T means the Australian corporate tax rate applicable to the franking account of BEN on the relevant Distribution Payment Date (expressed as a decimal); and

F means the franking percentage (as defined in Part 3-6 of the Tax Act, and any provisions that revise or replace that Part) applicable to the franking account of BEN on the relevant Distribution Payment Date (expressed as a decimal).

2.5 Distribution payment conditions

- (a) The payment of any Distribution on any Distribution Payment Date is subject to:
- (i) the Directors of BEN, in their absolute discretion, resolving to pay the Distribution to Holders;
 - (ii) the payment of the Distribution not resulting in a breach of BEN’s capital requirements under APRA’s prudential standards as they are applied to the BEN Level 1 Group or the BEN Level 2 Group or both at the time of the payment, or of the Corporations Act;
 - (iii) the payment of the Distribution not resulting in BEN becoming, or being likely to become, Insolvent; and
 - (iv) APRA not otherwise objecting to the payment of the Distribution.
- (b) No Distribution will be paid on Exchange where Exchange occurs due to a Capital Trigger Event or Non-Viability Trigger Event.
- (c) BEN must notify ASX at least five Business Days before the relevant Record Date (or, if later, as soon as it decides not to make the Distribution) if payment of any Distribution will not be made because of this clause 2.5.

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2.6 Distributions are discretionary and non-cumulative

Distributions are discretionary and non-cumulative. If payment of any Distribution is not made for any reason, BEN has no liability to pay that unpaid Distribution, no interest accrues on any unpaid Distributions, a Holder has no claim or entitlement in respect of any such Distribution or interest on any such Distribution and any such non-payment does not constitute an event of default under these Terms.

2.7 Dividend and capital restrictions in the event of non-payment

(a) Subject to clause 2.7(b), if any Distribution is not paid to Holders in full on the relevant Distribution Payment Date, then BEN must not, without the approval of a Special Resolution:

- (i) declare, determine to pay or pay a dividend; or
- (ii) return any capital or undertake any buy-backs or repurchases,

(together **Restricted Actions**) in relation to any Ordinary Shares, unless the amount of any unpaid Distribution is paid in full within five Business Days of that date. If, on a subsequent Distribution Payment Date, a Distribution is paid in full, or if all Capital Notes 2 have been Exchanged, Redeemed or otherwise terminated, then these restrictions cease to apply.

(b) Clause 2.7(a) does not apply to:

- (i) Restricted Actions which BEN is legally obliged to pay or complete at the time any Distribution is not paid in full to Holders on a relevant Distribution Payment Date; or
- (ii) Restricted Actions in connection with:
 - (A) any employment contract, employee share scheme, employee rights or option plan, or similar arrangement with, or for the benefit of, any one or more employees, officers, directors or consultants of BEN or its Related Bodies Corporate; or
 - (B) BEN or any of its Related Bodies Corporate purchasing Ordinary Shares in connection with transactions for the account of customers of BEN or customers of any of its Related Bodies Corporate.

2.8 Notification of Distribution Rate, Distribution payable and other items

(a) BEN must notify ASX of the Distribution Rate, amount of Distribution payable and Distribution Payment Date for each Distribution Period.

(b) BEN must give notice under this clause 2.8 as soon as practicable after it makes its calculations and by no later than the fourth Business Day of the relevant Distribution Period.

(c) BEN may amend its calculation or determination of any date, rate or amount (or make appropriate alternative arrangements by way of adjustment) including as a result of the extension or reduction of the Distribution Period or calculation period without prior notice but must notify ASX promptly after doing so.

2.9 Determination final

BEN's determination of all dates, rates and amounts under these Terms is, in the absence of wilful default, bad faith or manifest error, final and binding on BEN, the Registry and each Holder.

2.10 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable must be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent).

Appendix A Capital Notes 2 Terms

3 Mandatory Exchange

3.1 Mandatory Exchange

Subject to clauses 4.1, 4.2, 4.5, 4.6, 4.7, 5 and 6, BEN must Exchange all (but not some) Capital Notes 2 on issue on the date that is the earlier of:

- (a) 13 September 2033 (**Scheduled Mandatory Exchange Date**); and
- (b) the first Distribution Payment Date after the Scheduled Mandatory Exchange Date, (each a **Mandatory Exchange Date**) on which the Mandatory Exchange Conditions are satisfied.

3.2 Mandatory Exchange Conditions

- (a) The **Mandatory Exchange Conditions** for each Mandatory Exchange Date are:
 - (i) the VWAP on the 25th Business Day on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) is greater than 56.12% of the Issue Date VWAP (**First Mandatory Exchange Condition**);
 - (ii) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date is greater than 50.51% of the Issue Date VWAP (**Second Mandatory Exchange Condition**); and
 - (iii) Ordinary Shares have not been Delisted as at the Mandatory Exchange Date (**Third Mandatory Exchange Condition**).
- (b) If the First Mandatory Exchange Condition is not satisfied, BEN will announce to ASX between the 25th and the 21st Business Day before the Mandatory Exchange Date that Exchange will not proceed on the Mandatory Exchange Date.
- (c) If the Second Mandatory Exchange Condition or the Third Mandatory Exchange Condition is not satisfied, BEN will notify Holders on or as soon as practicable after the Mandatory Exchange Date that Exchange did not occur.

4 Early Exchange

4.1 Capital Trigger Event

- (a) A **Capital Trigger Event** occurs when:
 - (i) BEN determines; or
 - (ii) APRA notifies BEN in writing that it believes,

that either or both the BEN Level 1 Common Equity Tier 1 Capital Ratio or BEN Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%. BEN must immediately notify APRA in writing if it makes a determination under clause 4.1(a)(i).
- (b) If a Capital Trigger Event occurs, BEN must Exchange such number of Capital Notes 2 (or, if it so determines, such percentage of the Face Value of each Capital Note 2) as is sufficient (taking into account any exchange, conversion or write down of Relevant Securities as referred to in clause 4.1(c)) to return either or both the BEN Level 1 Common Equity Tier 1 Capital Ratio or BEN Level 2 Common Equity Tier 1 Capital Ratio, as the case may be, to above 5.125%.
- (c) In determining the number of Capital Notes 2, or percentage of the Face Value of each Capital Note 2, which must be Exchanged in accordance with this clause 4.1, BEN will:
 - (i) firstly, exchange, convert or write down the face value of any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange of Capital Notes 2; and
 - (ii) secondly, if exchange, conversion or write down of those Relevant Securities referred to in clause 4.1(c)(i) is not sufficient, Exchange (in the case of Capital Notes 2) or exchange, convert or write down (in the case of any other Relevant Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of BEN, fair and reasonable, Capital Notes 2 and any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be Exchanged, converted or written down in that manner (subject to such adjustment as BEN may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Capital Notes 2 or other Relevant Securities remaining on issue),

but such determination will not impede the immediate Exchange of the relevant number of Capital Notes 2 or percentage of the Face Value of each Capital Note 2 (as the case may be).

Appendix A Capital Notes 2 Terms

- (d) For the purposes of clauses 4.1(b) and 4.1(c), where the specified currency of the face value of Relevant Securities and/or Capital Notes 2 is not the same, BEN may treat them as if converted into a single currency of BEN's choice at such rate of exchange as BEN in good faith considers reasonable.
- (e) If a Capital Trigger Event occurs:
 - (i) the relevant number of Capital Notes 2, or percentage of the Face Value of each Capital Note 2, must be Exchanged immediately upon occurrence of the Capital Trigger Event in accordance with clauses 4.5 and 9 and the Exchange will be irrevocable;
 - (ii) BEN must give notice as soon as practicable that Exchange has occurred to ASX and the Holders;
 - (iii) the notice must specify:
 - (A) the date on which the Capital Trigger Event occurred; and
 - (B) the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Capital Notes 2 remaining on issue.
- (f) Failure to undertake any of the steps in clauses 4.1(e)(ii) to 4.1(e)(iii)(B) does not prevent, invalidate or otherwise impede Exchange.
- (g) BEN may make such decisions with respect to the identity of Holders as at the date of the occurrence of the Capital Trigger Event as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of Capital Notes 2 that have not been settled or registered at that time and date, provided that any such decision does not prevent, impede or delay the immediate Exchange of the relevant number of Capital Notes 2.

4.2 Non-Viability Trigger Event

- (a) A **Non-Viability Trigger Event** occurs when APRA notifies BEN in writing that it considers:
 - (i) Exchange of all or some Capital Notes 2, or exchange, conversion or write down of other capital instruments of the BEN Group, is necessary because, without it, BEN would become non-viable; or
 - (ii) without a public sector injection of capital, or equivalent support, BEN would become non-viable.APRA may specify an aggregate face value of capital instruments which must be Exchanged, converted or written down (as applicable).
- (b) If a Non-Viability Trigger Event occurs, BEN must Exchange such number of Capital Notes 2 (or, if it so determines, such percentage of the Face Value of each Capital Note 2) as is equal (taking into account any exchange, conversion or write down of Relevant Securities as referred to in clause 4.2(c)) to the aggregate face value of capital instruments which APRA has notified BEN must be Exchanged, converted or written down (or, if APRA has not so notified BEN, such number or, if BEN so determines, such percentage of the Face Value of each Capital Note 2, as is necessary to satisfy APRA that BEN will no longer be non-viable). If a Non-Viability Trigger Event occurs under clause 4.2(a)(ii), BEN must Exchange all Capital Notes 2.
- (c) In determining the number of Capital Notes 2, or percentage of the Face Value of each Capital Note 2, which must be Exchanged in accordance with this clause 4.2, BEN will:
 - (i) firstly, exchange, convert or write down the face value of any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange of Capital Notes 2; and
 - (ii) secondly, if exchange, conversion or write down of those Relevant Securities referred to in clause 4.2(c)(i) is not sufficient, Exchange (in the case of Capital Notes 2) or exchange, convert or write down (in the case of any other Relevant Securities), on a pro-rata basis or in a manner that is otherwise, in the opinion of BEN, fair and reasonable, Capital Notes 2 and any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be Exchanged, converted or written down in that manner (subject to such adjustments as BEN may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Capital Notes 2 or other Relevant Securities remaining on issue),
but such determination will not impede the immediate Exchange of the relevant number of Capital Notes 2 or percentage of the Face Value of each Capital Note 2 (as the case may be).
- (d) For the purposes of clauses 4.2(b) and 4.2(c), where the specified currency of the face value of Relevant Securities and/or Capital Notes 2 is not the same, BEN may treat them as if converted into a single currency of BEN's choice at such rate of exchange as BEN in good faith considers reasonable.

Appendix A Capital Notes 2 Terms

- (e) If a Non-Viability Trigger Event occurs:
- (i) the relevant number of Capital Notes 2, or percentage of the Face Value of each Capital Note 2, must be Exchanged immediately upon occurrence of the Non-Viability Trigger Event in accordance with clauses 4.5 and 9 and the Exchange will be irrevocable;
 - (ii) BEN must give notice as soon as practicable that Exchange has occurred to ASX and the Holders;
 - (iii) the notice must specify the date on which the Non-Viability Trigger Event occurred; and
 - (iv) the notice must specify the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Capital Notes 2 remaining on issue.
- (f) Failure to undertake any of the steps in clauses 4.2(e)(ii) to 4.2(e)(iv) does not prevent, invalidate or otherwise impede Exchange.
- (g) BEN may make such decisions with respect to the identity of Holders as at the date of the occurrence of the Non-Viability Trigger Event as may be necessary or desirable to ensure Exchange occurs in an orderly manner, including disregarding any transfers of Capital Notes 2 that have not been settled or registered at that time and date, provided that any such decision does not prevent, impede or delay the immediate Exchange of the relevant number of Capital Notes 2.

4.3 Mandatory Exchange Conditions do not apply to Capital Trigger Event or Non-Viability Trigger Event

For the avoidance of doubt, the Mandatory Exchange Conditions do not apply to Exchange as a result of a Capital Trigger Event or Non-Viability Trigger Event occurring.

4.4 Priority of Early Exchange Obligations

An Exchange required because of a Capital Trigger Event or a Non-Viability Trigger Event takes place notwithstanding anything in clause 3.

4.5 Automatic Exchange upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event

If a Capital Trigger Event or Non-Viability Trigger Event has occurred and all or some Capital Notes 2 (or percentage of the Face Value of each Capital Note 2) are required to be Exchanged in accordance with clauses 4.1 or 4.2, then:

- (a) Exchange of the relevant Capital Notes 2 or percentage of the Face Value of each Capital Note 2 will occur in accordance with clause 9 immediately upon the date of occurrence of the Capital Trigger Event or Non-Viability Trigger Event; and
- (b) the entry of the corresponding Capital Notes 2 in each relevant Holder's holding in the Register will constitute an entitlement of that Holder to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of Capital Notes 2 or remaining percentage of the Face Value of each Capital Note 2), and BEN will recognise the Holder as having been issued the relevant Ordinary Shares for all purposes,

in each case without the need for any further act or step by BEN, the Holder or any other person (and BEN will, as soon as possible thereafter and without delay on the part of BEN, take any appropriate procedural steps to record such Exchange, including updating the Register and the Ordinary Share register and seek quotation of Ordinary Shares issued on Exchange), however, for the avoidance of doubt:

- (c) nothing in this clause 4.5 allows a payment to be made to a Holder upon Exchange; and
- (d) Exchange under this clause 4.5 takes priority over a notice of Redemption issued under clauses 5.1, 5.2, 5.3 or 5.4, an Optional Exchange Notice issued under clause 6.1 and a Resale Notice under clause 7.1, and any notice of Redemption, Optional Exchange Notice or Resale Notice outstanding at the time a Capital Trigger Event or Non-Viability Trigger Event occurs will automatically be revoked and of no effect.

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4.6 No further rights if Exchange cannot occur

If, for any reason, Exchange of any Capital Notes 2 (or a percentage of the Face Value of any Capital Note 2) required to be Exchanged under clauses 4.1 or 4.2 fails to take effect under clauses 4.5(a) and 4.5(b) and BEN has not otherwise issued the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, then the relevant Holders' rights (including to payment of the Face Value and Distributions, and the right to receive Ordinary Shares) in relation to such Capital Notes 2 or percentage of the Face Value of Capital Notes 2 are immediately and irrevocably terminated and such termination will be taken to have occurred immediately on the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event. BEN must give notice as soon as practicable that such termination has occurred to the Holders and such notice must be announced on ASX, and the notice must specify the date on which the Capital Trigger Event or Non-Viability Trigger Event occurred.

4.7 Change of Control Event

(a) A **Change of Control Event** occurs when:

- (i) a takeover bid is made for Ordinary Shares:
 - (A) acceptance of which is recommended by the Board and which is or has become unconditional; or
 - (B) which is or has become unconditional and the voting power of the offeror in BEN is or has become greater than 50%; or
- (ii) in respect of a scheme of arrangement under Part 5.1 of the Corporations Act which would result (if implemented) in a person having voting power in more than 50% of BEN, the earlier of the following:
 - (A) a court approves the scheme; and
 - (B) the Board determines that such event should be treated as a Change of Control Event for the purposes of this clause 4.7, provided that this clause 4.7(a)(ii) does not include a scheme of arrangement which would result in a NOHC Event.

(b) If a Change of Control Event occurs, then:

- (i) BEN must Exchange all (but not some) Capital Notes 2;
 - (ii) BEN must give notice as soon as practicable and in any event within ten Business Days after becoming aware of that event occurring to ASX and the Holders;
 - (iii) the notice must specify a date on which it is proposed Exchange will occur (**Proposed Exchange Date**) being:
 - (A) in the case of a Change of Control Event under clause 4.7(a)(i), no later than the Business Day prior to the then announced closing date of the relevant takeover bid;
 - (B) in the case of a Change of Control Event under clause 4.7(a)(ii)(A), a date no later than the record date for participation in the relevant scheme of arrangement;
 - (C) in the case of a Change of Control Event under clause 4.7(a)(ii)(B), a date no later than:
 - 1) 25 Business Days following the date the notice is given; or
 - 2) the record date for participation in the relevant scheme of arrangement, whichever is earlier; or
 - (D) such later date as APRA may require;
 - (iv) the notice must specify the details of the Exchange process including any details to take into account the effect on marketable parcels and whole numbers of Ordinary Shares; and
 - (v) on the Proposed Exchange Date, all Capital Notes 2 will Exchange in accordance with clause 9.
- (c) The Second Mandatory Exchange Condition and the Third Mandatory Exchange Condition apply if a Change of Control Event occurs as though the Proposed Exchange Date were a Mandatory Exchange Date for the purposes of clause 3 (except that in the case of a Change of Control Event, the Second Mandatory Exchange Condition will apply as if it referred to 20.20% of the Issue Date VWAP).
- (d) If either the Second Mandatory Exchange Condition or the Third Mandatory Exchange Condition is not satisfied on the Proposed Exchange Date:
- (i) Capital Notes 2 must Exchange on the next Distribution Payment Date on which the Second Mandatory Exchange Condition and the Third Mandatory Exchange Condition are satisfied; and
 - (ii) BEN will notify Holders as soon as practicable after the Proposed Exchange Date that Exchange did not occur.

4.8 No Exchange at the option of the Holders

Holders do not have a right to request Exchange of their Capital Notes 2 at any time.

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5 Early Redemption

5.1 Early Redemption at the option of BEN on a Call Date

- (a) Subject to clauses 5.1(b) and 5.5, BEN may at its option Redeem all or some Capital Notes 2 on a Call Date for their Face Value.
- (b) However, BEN may only Redeem under this clause 5.1 if BEN has given notice of its election to do so at least ten Business Days before the Call Date on which Redemption is to occur to ASX and the Holders.
- (c) If only some (but not all) Capital Notes 2 are to be Redeemed under this clause 5.1, those Capital Notes 2 to be Redeemed will be specified in the notice and selected:
 - (i) in a manner that is, in the opinion of BEN, fair and reasonable; and
 - (ii) in compliance with any applicable law, directive or requirement of ASX.

5.2 Early Redemption for inability to frank Distributions

- (a) Subject to clauses 5.2(b) and 5.5, if BEN receives an opinion from reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a Tax Change any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be able to do so subject to requirements which BEN determines, in its absolute discretion, to be unacceptable) (a **Franking Event**), BEN may Redeem all (but not some) Capital Notes 2 for their Face Value.
- (b) However, BEN may only Redeem under this clause 5.2 if:
 - (i) BEN has given notice of its election to do so at least ten Business Days before the proposed Redemption Date to ASX and the Holders;
 - (ii) the proposed Redemption Date is a Distribution Payment Date; and
 - (iii) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which a Distribution would not be a frankable Distribution.

5.3 Early Redemption for other taxation reasons

- (a) Subject to clauses 5.3(b) and 5.5, if BEN receives an opinion from reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a Tax Change:
 - (i) BEN would be required to pay an increased amount under clause 11.6; or
 - (ii) BEN or another member of the BEN Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including through the imposition of any Taxes, duties, assessments or other charges) in relation to the Capital Notes 2,
 (a **Tax Event**), BEN may Redeem all (but not some) Capital Notes 2 for their Face Value.
- (b) BEN may only Redeem under this clause 5.3 if:
 - (i) BEN has given notice of its election to do so at least ten Business Days before the proposed Redemption Date to ASX and the Holders;
 - (ii) the proposed Redemption Date is a Distribution Payment Date; and
 - (iii) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which BEN would be subject to the adverse tax consequence.

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5.4 Early Redemption for regulatory reasons

- (a) Subject to clauses 5.4(b) and 5.5, if BEN determines that as a result of an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced on or after the Issue Date and which BEN did not expect as at the Issue Date (including any announcement of a prospective amendment, clarification of or change which has been or will be introduced):
- (i) having received all approvals they consider in their absolute discretion to be necessary (including from APRA), BEN is not or will not be entitled to treat all Capital Notes 2 as Additional Tier 1 Capital, except where the reason BEN is not or will not be entitled to treat all Capital Notes 2 as Additional Tier 1 Capital is because BEN has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by BEN to come into effect;
 - (ii) more than de minimis additional requirements would be imposed on BEN or the BEN Group in relation to or in connection with the Capital Notes 2 (which were not expected by BEN at the Issue Date) which BEN determines, in its absolute discretion, to be unacceptable; or
 - (iii) to have the Capital Notes 2 outstanding would be unlawful or impractical or that BEN or the BEN Group would be exposed to a more than de minimis increase in its costs in connection with those Capital Notes 2,
- (a **Regulatory Event**), BEN may Redeem all (but not some) Capital Notes 2 for their Face Value.
- (b) BEN may only Redeem under this clause 5.4 if:
- (i) BEN has given notice of its election to do so at least ten Business Days (and no more than 60 Business Days) before the proposed Redemption Date to ASX and the Holders;
 - (ii) the proposed Redemption Date is a Distribution Payment Date; and
 - (iii) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which (as applicable):
 - (A) all, some or a proportion of all or some Capital Notes 2 will cease to be treated as Additional Tier 1 Capital;
 - (B) additional requirements will be imposed on BEN or the BEN Group; or
 - (C) to have the Capital Notes 2 outstanding will be unlawful or impractical or BEN or the BEN Group will be exposed to a more than de minimis increase in its costs.

5.5 APRA approval to Redeem

BEN may only Redeem under this clause 5 if:

- (a) either:
- (i) before or concurrently with Redemption, BEN replaces Capital Notes 2 with a capital instrument which is of the same or better quality (for the purposes of APRA's prudential standards as they are applied to the BEN Group at the relevant time) than Capital Notes 2 and the replacement of Capital Notes 2 is done under conditions that are sustainable for the income capacity of BEN; or
 - (ii) BEN obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the BEN Level 1 Group and BEN Level 2 Group, that BEN does not have to replace Capital Notes 2; and
- (b) APRA has given its prior written approval to the Redemption. Approval is at the discretion of APRA and may or may not be given.

5.6 Final Distribution

For the avoidance of doubt, Redemption may occur even if BEN, in its absolute discretion, does not make the Distribution for the final Distribution Period.

5.7 No Redemption at the option of the Holders

Holders do not have a right to request Redemption of their Capital Notes 2 at any time.

5.8 Effect of notice of Redemption

Any notice of Redemption given under this clause 5 is irrevocable and BEN must (subject to clauses 1.5, 4.5(d) and 11.3) Redeem Capital Notes 2 on the Redemption Date specified in that notice.

5.9 Redemption mechanics

On the Redemption Date the only right a Holder will have in respect of a Capital Note 2 will be to be paid the Face Value payable in accordance with these Terms and any Distribution BEN has determined is payable on that date. Upon the Face Value being paid (or taken to be paid in accordance with clause 11), all other rights conferred, or restrictions imposed, by the Capital Notes 2 will no longer have effect and the Capital Note 2 will be cancelled.

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6 Optional Exchange

6.1 Exchange by BEN

- (a) BEN may, with APRA's prior written approval, by notice to ASX and the Holders (an **Optional Exchange Notice**) elect to Exchange:
- (i) all or some Capital Notes 2 on an Optional Exchange Date following the occurrence of a Franking Event, a Tax Event or a Regulatory Event; and
 - (ii) all or some of the Capital Notes 2 on a Call Date.
- (b) APRA's approval for an Exchange of Capital Notes 2 under this clause 6 is given in its absolute discretion and Holders should not expect that APRA's approval will be given.

6.2 When Optional Exchange Notice may be Given

An Optional Exchange Notice may be given under clause 6.1:

- (a) in the case of clause 6.1(a)(i), on any day following the occurrence of the Franking Event, Tax Event or Regulatory Event; or
- (b) in the case of clause 6.1(a)(ii), at least ten Business Days before the Call Date on which Exchange is to occur.

6.3 Contents of the Optional Exchange Notice

An Optional Exchange Notice must specify:

- (a) in the case of an Optional Exchange Notice given following the occurrence of a Franking Event, a Tax Event or a Regulatory Event, the details of the Franking Event, a Tax Event or a Regulatory Event to which the Optional Exchange Notice relates;
- (b) the date on which Exchange is to occur (the **Optional Exchange Date**), which:
 - (i) in the case of an Exchange occurring under clause 6.1(a)(i), is the next Distribution Payment Date that is at least ten Business Days after the date of the Optional Exchange Notice, unless BEN determines an earlier date having regard to the best interests of Holders as a whole and the relevant event; or
 - (ii) in the case of an Exchange occurring under clause 6.1(a)(ii), is the relevant Call Date;
- (c) if less than all Capital Notes 2 are subject to the Exchange, the proportion of the Capital Notes 2 that are to be Exchanged; and
- (d) whether any distribution will be paid in respect of the Capital Notes 2 the subject of the Optional Exchange Notice on the Optional Exchange Date.

6.4 Restrictions on election of Exchange

BEN may not elect to Exchange the Capital Notes 2 under this clause 6 if:

- (a) on the second Business Day before the date on which an Optional Exchange Notice is to be sent by BEN (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) (**Non-Exchange Test Date**), the VWAP on that date is less than or equal to 22.20% of the Issue Date VWAP (**First Optional Exchange Restriction**); or
- (b) Ordinary Shares have been Delisted as at the Non-Exchange Test Date (**Second Optional Exchange Restriction**, and together with the First Optional Exchange Restriction, the **Optional Exchange Restrictions**).

6.5 Conditions to Exchange occurring once elected by BEN

If BEN has given an Optional Exchange Notice but, if the Optional Exchange Date were a Mandatory Exchange Date for the purposes of clause 3, any one or more of the Second Mandatory Exchange Condition (applied as if it referred to 20.20% of the Issue Date VWAP) or the Third Mandatory Exchange Condition would not be satisfied in respect of that date, then, notwithstanding any other provision of these Terms:

- (a) the Optional Exchange Date will be deferred until the first Distribution Payment Date on which the Mandatory Exchange Conditions (applied as if the percentage of the Issue Date VWAP was 22.20% for the First Mandatory Exchange Condition and 20.20% for the Second Mandatory Exchange Condition) would be satisfied if that Distribution Payment Date were a Mandatory Exchange Date for the purposes of clause 3 (the **Deferred Exchange Date**);
- (b) BEN must Exchange the Capital Notes 2 on the Deferred Exchange Date (unless the Capital Notes 2 are Exchanged, Redeemed or Resold earlier in accordance with these Terms); and
- (c) until the Deferred Exchange Date, all rights attaching to the Capital Notes 2 will continue as if the Optional Exchange Notice had not been given.

BEN will notify the Holders on or as soon as practicable after an Optional Exchange Date in respect of which this clause 6.5 applies that Exchange did not occur on that Exchange Date.

Appendix A Capital Notes 2 Terms

6.6 Exchange of less than all Capital Notes 2

If only some (but not all) Capital Notes 2 are to be Exchanged under this clause 6, the number of Capital Notes 2 to be Exchanged will be specified in the relevant Optional Exchange Notice and selected:

- (a) in a manner that is, in the opinion of BEN, fair and reasonable; and
- (b) in compliance with any applicable law, directive or requirement of APRA.

6.7 Effect of Optional Exchange Notice

Any Optional Exchange Notice given under this clause 6 is irrevocable and BEN must (subject to clauses 1.5 and 4.5(d)) Exchange Capital Notes 2 on the Optional Exchange Date specified in that notice.

7 Resale

7.1 Resale by BEN

- (a) BEN may, with APRA's prior written approval, by notice to ASX and the Holders (a **Resale Notice**) elect to Resell:
 - (i) all or some Capital Notes 2 on a Resale Date following the occurrence of a Franking Event, a Tax Event or a Regulatory Event; or
 - (ii) all or some of the Capital Notes 2 on a Call Date.
- (b) APRA's approval for a Resale of Capital Notes 2 under this clause 7 is given in its absolute discretion and Holders should not expect that APRA's approval will be given.

7.2 When Resale Notice may be Given

A Resale Notice may be given under clause 7.1:

- (a) in the case of clause 7.1(a)(i), on any day following the occurrence of the Franking Event, Tax Event or Regulatory Event (as applicable); or
- (b) in the case of clause 7.1(a)(ii), at least ten Business Days before the relevant Call Date.

7.3 Contents of Resale Notice

A Resale Notice must specify:

- (a) the date on which Resale is to occur (the **Resale Date**), which:
 - (i) in the case of a Resale occurring under clause 7.1(a)(i), will be a day no earlier than ten Business Days and no more than 60 Business Days after the date of the Resale Notice; or
 - (ii) in the case of a Resale occurring under clause 7.1(a)(ii), is the Call Date;
- (b) if less than all Capital Notes 2 are subject to Resale, the proportion of the Capital Notes 2 that are to be Resold;
- (c) the identity of the Nominated Purchasers for that Resale and the Resale Price; and
- (d) whether any distribution will be paid in respect of the Capital Notes 2 the subject of the Resale Notice on the Resale Date.

7.4 Resale of less than all Capital Notes 2

If only some (but not all) Capital Notes 2 are to be Resold under this clause 7, the number of Capital Notes 2 to be Resold will be specified in the relevant Resale Notice and selected:

- (a) in a manner that is, in the opinion of BEN, fair and reasonable; and
- (b) in compliance with any applicable law, directive or requirement of APRA.

7.5 No Resale at the option of the Holders

Holders do not have a right to request Resale of their Capital Notes 2 at any time.

7.6 Effect of Resale Notice

Any Resale Notice given under this clause 7 is irrevocable and BEN must (subject to clauses 1.5, 4.5(d), 8.2, 8.5 and 11.3) Resell Capital Notes 2 on the Resale Date specified in that notice.

Appendix A Capital Notes 2 Terms

8 Resale Mechanics

8.1 Resale Mechanics

If BEN elects to Resell Capital Notes 2 in accordance with these Terms, the provisions of this clause 8 apply to that Resale.

8.2 Appointment of Nominated Purchaser

- (a) BEN must appoint one or more Nominated Purchasers for the Resale on such terms as may be agreed between BEN and the Nominated Purchasers (and, to the extent any such conditions may cause the Capital Notes 2 to cease to be Additional Tier 1 Capital, with the prior written approval of APRA) including:
- (i) as to the conditions of any Resale, the procedures for settlement of such Resale and the circumstances in which the Resale Notice may be amended, modified, added to or restated;
 - (ii) as to the substitution of another entity (not being BEN or a Related Body Corporate of BEN) as Nominated Purchaser if, for any reason, BEN is not satisfied that the Nominated Purchaser will perform its obligations under this clause 8; and
 - (iii) as to the terms (if any) on which any Capital Notes 2 acquired by a Nominated Purchaser may be Redeemed, Exchanged or otherwise dealt with.
- (b) If BEN appoints more than one Nominated Purchaser in respect of a Resale, all or any of the Capital Notes 2 held by a Holder which are being Resold may be purchased by any one or any combination of the Nominated Purchasers, as determined by BEN, for the Resale Price.

8.3 Irrevocable offer to sell Capital Notes 2

- (a) Each Holder is taken irrevocably to offer to sell the relevant number of the Capital Notes 2 the subject of a Resale Notice to the Nominated Purchasers on the Resale Date for the Resale Price.
- (b) Clause 11 applies to the payment of the Resale Price as if references in clause 11 to BEN were references to the Nominated Purchaser.

8.4 Effect of Resale

On the Resale Date, subject to payment by the applicable Nominated Purchaser of the Resale Price to the Holders, all right, title and interest in the Capital Notes 2 the subject of the Resale will be transferred from the Holders to the applicable Nominated Purchaser free from any Encumbrances.

8.5 Effect of failure by Nominated Purchaser or Nominated Purchasers to pay

If a Nominated Purchaser does not pay the Resale Price to the Holders on the Resale Date (a **Defaulting Nominated Purchaser**):

- (a) the Resale Notice as it relates to the Defaulting Nominated Purchaser will be void and any obligations of the Holder and the Defaulting Nominated Purchaser in respect of the Resale of the Capital Notes 2 that are the subject of the Resale Notice will terminate;
- (b) the Capital Notes 2 referable to the Defaulting Nominated Purchaser will not be transferred to the Defaulting Nominated Purchaser on the Resale Date; and
- (c) Holders will continue to hold the Capital Notes 2 referable to the Defaulting Nominated Purchaser until they are otherwise Redeemed, Exchanged or Resold in accordance with these Terms.

Appendix A Capital Notes 2 Terms

9 General provisions applicable to Exchange

9.1 Exchange

On the Exchange Date, subject to clauses 4.6 and 9.10, the following will apply:

- (a) BEN will allot and issue the Exchange Number of Ordinary Shares for each Capital Note 2 held by the Holder. The **Exchange Number** is the lesser of the Maximum Exchange Number and the number calculated in accordance with the following formula:

$$\text{Exchange Number for each Capital Note 2} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period.

Maximum Exchange Number means a number calculated in accordance with the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{Face Value}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$$

where:

Relevant Percentage means:

- (i) if Exchange is occurring on a Mandatory Exchange Date, 0.50; and
 - (ii) if Exchange is occurring at any other time, 0.20.
- (b) Each Holder's rights (including to payment of Distributions, other than the Distribution, if any, payable on an Exchange Date where the Exchange is not as a result of a Capital Trigger Event or a Non-Viability Trigger Event) in relation to each Capital Note 2 that is being Exchanged will be immediately and irrevocably terminated for an amount equal to the Face Value and BEN will apply the Face Value of each Capital Note 2 by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 9.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 9.1 is to be applied as provided for in this clause 9.1(b) and no Holder has any right to payment in any other way.
- (c) If the total number of additional Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of Capital Notes 2 includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.

9.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under clause 9.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as *cum* dividend or *cum* any other distribution or entitlement and Capital Notes 2 will be Exchanged for Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted *cum* dividend or *cum* any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
- (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution, including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
 - (ii) in the case of any other entitlement that is not a dividend or other distribution under clause 9.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Board; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as *ex* dividend or *ex* any other distribution or entitlement, and Capital Notes 2 will be Exchanged for Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted *ex* dividend or *ex* any other distribution or entitlement will be increased by the Cum Value.

Appendix A Capital Notes 2 Terms

9.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (not involving any payment or other compensation to or by the holders of Ordinary Shares or BEN) (**Reclassification**) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by multiplying the applicable VWAP by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by BEN in accordance with clause 9.3(a) will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.
- (c) For the avoidance of doubt, nothing in this clause 9.3 allows a cash payment or other distribution to be made to or by a Holder as part of a Reclassification or as a result of a Reclassification.

9.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under clause 9.1, adjustments will be made in accordance with clauses 9.2 and 9.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by BEN in accordance with clauses 9.5 to 9.7 (inclusive);
- (b) if so made, will correspondingly affect the application of the Mandatory Exchange Conditions and the Optional Exchange Restrictions and cause an adjustment to the Maximum Exchange Number; and
- (c) if so made, will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.

9.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clauses 9.5(b) and 9.5(c), if BEN makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times \frac{RD}{(RD + RN)}$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V₀ means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) Clause 9.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan or other issue involving any payment or other compensation to or by the holders of Ordinary Shares or BEN.
- (c) For the purposes of this clause 9.5, an issue will be regarded as a bonus issue notwithstanding that BEN does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia (or to whom an offer is otherwise subject to foreign securities laws), provided that in so doing BEN is not in contravention of ASX Listing Rules.

Appendix A Capital Notes 2 Terms

9.6 Adjustments to Issue Date VWAP for capital reconstruction

If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

9.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 9.5 and 9.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

9.8 Announcement of adjustments to Issue Date VWAP

BEN will notify any adjustment to the Issue Date VWAP under this clause 9 to ASX and the Holders within ten Business Days of BEN determining the adjustment (or such shorter period as is required by ASX Listing Rules) and the adjustment will be final and binding.

9.9 Status and listing of Ordinary Shares

- (a) Ordinary Shares issued or arising from Exchange will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Exchange do not take effect until 5.00pm (Melbourne time) on the Exchange Date (or such other time required by APRA).
- (b) BEN will use all reasonable endeavours to list the Ordinary Shares issued on Exchange of Capital Notes 2 on ASX.
- (c) Holders acknowledge that any ASX trades in Capital Notes 2 that have not settled on the Exchange Date will continue to settle in accordance with the normal ASX settlement process, although the seller will be treated as having delivered and the buyer will be treated as having acquired, the number of Ordinary Shares into which Capital Notes 2 have been Exchanged.

9.10 Exchange where the Holder does not wish to receive Ordinary Shares or is an Ineligible Holder

- (a) If Capital Notes 2 of a Holder are required to be Exchanged and:
 - (i) the Holder has notified BEN that it does not wish to receive Ordinary Shares as a result of Exchange, which notice may be given at any time on or after the Issue Date and prior to the Exchange Date;
 - (ii) the Holder is an Ineligible Holder; or
 - (iii) BEN has not received (for any reason whether or not due to the fault of that Holder) any information required by it in accordance with the Terms so as to impede BEN issuing the Ordinary Shares to a Holder on the Exchange Date, then, on the Exchange Date, the Holder's rights (including to payment of Distributions) in relation to each such Capital Notes 2 being Exchanged are immediately and irrevocably terminated and BEN will issue the Exchange Number of Ordinary Shares to a Nominee for no additional consideration to hold on trust for sale for the benefit of the relevant Holder (unless, because the Holder is an Ineligible Holder, the Nominee is or would be deemed to be an Ineligible Holder, in which case such issue shall occur as soon as practicable after the Nominee ceases to be or would not be (as the case may be) an Ineligible Holder). At the first opportunity to sell the Ordinary Shares, the Nominee will arrange for their sale and pay the proceeds less selling costs and any withholding or deduction required or permitted pursuant to clause 11.6 to the relevant Holder subject to and in accordance with the provisions of the Deed Poll.
- (b) If Exchange is occurring because of the occurrence of a Capital Trigger Event or Non-Viability Trigger Event and the Exchange fails to take effect and BEN has not otherwise issued Ordinary Shares to the Nominee within five Business Days after the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, then Holders' rights will be immediately and irrevocably terminated under clause 4.6.
- (c) Without prejudice to the express obligations of BEN and a Nominee under this clause 9.10:
 - (i) BEN has no duty to enquire into the law of a Foreign Holder's country of residence; and
 - (ii) neither BEN nor any Nominee owes any obligations or duties to Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Holder as a result of the sale of Ordinary Shares where required by this clause 9.10.

Appendix A Capital Notes 2 Terms

9.11 Final Distribution

For the avoidance of doubt, Exchange may occur even if BEN, in its absolute discretion, does not make the Distribution for the final Distribution Period.

9.12 No Exchange after winding up commences

If before the Exchange Date an order is made by a court, or an effective resolution is passed, for the winding up of BEN in Australia, then Exchange will not occur and clause 1.5 will apply, except where Exchange is required for a Capital Trigger Event or Non-Viability Trigger Event (in which case such Exchange shall occur (subject to clause 4.6) in accordance with clauses 4.1 or 4.2 (as applicable) and clause 4.5).

9.13 Exchange of a percentage of Face Value

If under these Terms it is necessary to Exchange a percentage of the Face Value, this clause 9 will apply to the Exchange as if references to the Face Value were references to the relevant percentage of the Face Value to be Exchanged.

10 Title and transfer of Capital Notes 2

10.1 Effect of entries in Register

Each entry in the Register of a person as a Holder constitutes:

- (a) conclusive evidence of that person's:
 - (i) absolute ownership of those Capital Notes 2;
 - (ii) entitlement to the other benefits given to Holders under these Terms and the Deed Poll in respect of Capital Notes 2; and
- (b) an undertaking by BEN to pay Distributions and any other amount in accordance with these Terms, subject to correction of the Register for fraud or error.

10.2 Non-recognition of interests

- (a) Except as required by law or directive, BEN and the Registry must treat the person whose name is entered in the Register as a Holder as the absolute owner of that Capital Note 2. This clause 10.2 applies despite any notice of ownership, trust or interest in that Capital Note 2. No recognition of any trust, Encumbrance or interest shall be entered on the Register.
- (b) Neither BEN nor the Registry need take any notice of any trust, Encumbrance or other interest in, or claim to, any Capital Note 2, except as ordered by a court of competent jurisdiction or required by law.
- (c) This clause 10.2 applies whether or not a payment has been made when scheduled on a Capital Note 2 and despite any notice of ownership, notice, trust, Encumbrance or other interest in the Capital Note 2.

10.3 Joint holders

Where two or more persons are entered in the Register as joint Holders, they are taken to hold those Capital Notes 2 as joint tenants with rights of survivorship and subject to the terms of the Deed Poll but the Registry is not bound to register more than four persons as joint Holders of any Capital Notes 2.

Appendix A Capital Notes 2 Terms

10.4 Transfers

- (a) A Holder may transfer Capital Notes 2:
- (i) while Capital Notes 2 are registered with CHESS, in accordance with the rules and regulations of CHESS; or
 - (ii) at any other time:
 - (A) by a proper transfer under any other applicable computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law, provided such instrument is delivered to the Registry with any evidence the Registry reasonably requires to prove title to or the right to transfer Capital Notes 2.
- (b) Title to Capital Notes 2 passes when details of the transfer are entered in the Register.
- (c) Capital Notes 2 may be transferred in whole but not in part.
- (d) BEN must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of Capital Notes 2.
- (e) BEN must not charge any fee on the transfer of Capital Notes 2.
- (f) The Holder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with a transfer, assignment or other dealing with Capital Notes 2.
- (g) Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Terms and the Deed Poll in respect of the transferred Capital Notes 2.
- (h) Subject to Applicable Regulations, BEN may determine that transfers of some or all Capital Notes 2 will not be registered during any period reasonably specified by it prior to the Exchange Date, Redemption Date or Resale Date of such Capital Notes 2.

10.5 Refusal to register

- (a) BEN may only refuse to register a transfer of Capital Notes 2 if permitted by, or if such registration would contravene or is forbidden by, Applicable Regulations or the Terms.
- (b) If BEN refuses to register a transfer, BEN must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registry.

10.6 Transmission

A person becoming entitled to Capital Notes 2 as a consequence of the death, bankruptcy, liquidation or a winding-up of a Holder or of a vesting order by a court or other body with power to make the order, or a person administering the estate of a Holder, may, upon providing evidence as to that entitlement or status, and if BEN so requires an indemnity in relation to the correctness of such evidence, as BEN considers sufficient, become registered as the Holder of those Capital Notes 2.

10.7 No liability to persons other than Holders

BEN is not liable to pay any amount to any person claiming an interest in a Capital Note 2 in connection with that Capital Note 2 other than the Holder.

11 Payments

11.1 Payments to registered Holder

- (a) Payment of Distributions will be made to the person registered at 7.00pm on the Record Date as the Holder.
- (b) Payment of any other amount in accordance with these Terms will be made to the person registered as the Holder on the relevant date for payment.
- (c) A payment to any one of joint Holders will discharge BEN's liability in respect of the payment.

11.2 Obligations subject to law

All obligations of BEN to make any payments or issue any Ordinary Shares are subject to applicable law.

11.3 Payments on Business Days

- (a) If any payment:
- (i) is due on a day which is not a Business Day, then the due date for payment will be the next Business Day; or
 - (ii) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the next day on which banks are open for general banking business in that place,
- and no additional amount is payable in respect of any delay in payment.
- (b) Nothing in this clause 11.3 applies to any payment referred to in clause 9.1(b).

Appendix A Capital Notes 2 Terms

11.4 Payments to accounts

Monies payable by BEN to a Holder may be paid by crediting an Australian dollar bank account maintained in Australia with a financial institution and nominated in writing by the Holder by close of business on the relevant Record Date or in any other manner BEN decides.

11.5 Unsuccessful attempts to pay

- (a) If the Holder has not notified the Registry of a bank account for the purposes of payment under clause 11.4 or the transfer of any amount does not complete for any reason (other than an error made by or on behalf of BEN), BEN will be treated as having paid the amount on the date on which it would otherwise have made the payment.
- (b) BEN will send a notice to the registered address of the Holder advising of the unsuccessful payment and the amount of the unsuccessful payment will be held on deposit in a non-interest bearing bank account maintained by BEN or the Registry until the Holder nominates an Australian dollar bank account maintained in Australia for crediting with the payment (or nominates a new bank account as the case may be), the claim becomes void under clause 14.1 or BEN pays the amount in accordance with the law relating to unclaimed monies.
- (c) No additional amount is payable in respect of any delay in payment.
- (d) For the avoidance of doubt, nothing in this clause 11.5 obliges BEN to make a payment it has not otherwise determined to make under clause 2.

11.6 Withholdings and Deductions

- (a) All payments or issuances of Ordinary Shares in respect of Capital Notes 2 must be made without any withholding or deduction in respect of Taxes, unless the withholding or deduction is required by law or permitted by this clause 11.6. BEN (or if applicable, the Nominee) shall give effect to any such withholding or deduction within the time allowed without incurring penalty under the applicable law and shall, if required by any Holder, deliver to that Holder the relevant receipt issued by the revenue authority without delay after it is received by BEN. If after giving effect to such withholding or deduction the balance of the payment or issuance of the balance of the Ordinary Shares is made to the relevant Holder, BEN's obligation to the Holder shall be deemed to have been satisfied in full and BEN shall not be required to pay any additional amount, or issue any further Ordinary Shares.
- (b) BEN, in its absolute discretion, may withhold or deduct from payments or issuances of Ordinary Shares to or for the account of a Holder (including, if applicable, any other person who beneficially derives Distributions or any entitlement to be issued Ordinary Shares under Capital Notes 2) where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Capital Notes 2 may be subject to FATCA, and may deal with such payment or issuance of Ordinary Shares and the Holder's Capital Notes 2 in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, BEN will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment or additional issuance of Ordinary Shares to, a Holder or a beneficial owner of Capital Notes 2 for or in respect of any such withholding or deduction.
- (c) Each Holder (including, if applicable, any other person who beneficially derives Distributions under Capital Notes 2) will, within ten Business Days of request by BEN, supply to BEN such forms, documentation and other information relating to its status under FATCA as BEN reasonably requests for the purposes of the BEN Group's compliance with FATCA.

12 Tax File Number withholdings

- (a) BEN will withhold an amount from payments of Distributions on Capital Notes 2 at the highest marginal tax rate plus the highest Medicare levy if a Holder has not supplied an appropriate tax file number, Australian business number or exemption details.
- (b) If a Holder supplies exemption details and BEN subsequently determines that the relevant exemption was not available, BEN may recover the amount that should have been deducted from the relevant Holder and may deduct that amount from any subsequent payment due to that Holder in respect of Capital Notes 2.

Appendix A Capital Notes 2 Terms

13 Substitution of BEN

13.1 Substitution

BEN may, in connection with a NOHC Event, without the consent of Holders and provided that the Substitution Conditions are satisfied, by giving notice to ASX and the Holders:

- (a) substitute for itself a NOHC as the debtor in respect of Capital Notes 2 and as the issuer of Ordinary Shares on Exchange (**Full Successor**); or
- (b) substitute for itself a NOHC as the issuer of Ordinary Shares on Exchange (**Partial Successor**),

and a reference to the **Successor** shall be a reference to the Full Successor or the Partial Successor, as applicable. The notice shall specify the date on which the substitution is to take effect (**Date of Substitution**).

13.2 Substitution Conditions

The Substitution Conditions are:

- (a) in the case of the Full Successor:
 - (i) the Full Successor or another entity (which is a parent entity) subscribes for Ordinary Shares or other capital instruments acceptable to APRA in such amount as may be necessary, or takes other steps acceptable to APRA, to ensure that the capital position of the BEN Level 1 Group and BEN Level 2 Group will not be adversely affected, including, if required by APRA or APRA's prudential standards, undertaking any capital injection in relation to BEN to replace Capital Notes 2; and
 - (ii) the Full Successor will expressly assume BEN's obligations under these Terms and the Deed Poll by entering into a deed poll for the benefit of Holders or a trust deed appointing a trustee for Holders (in each case, a **Successor Deed**) under which it agrees (among other things):
 - (A) to comply with the restrictions in clause 2.7 of these Terms (with all necessary modifications); and
 - (B) to deliver fully paid ordinary shares in its capital under all circumstances when BEN would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Terms (with all necessary modifications);
- (b) in the case of the Partial Successor:
 - (i) the Partial Successor agrees with effect on and from the Date of Substitution, by entering into a Successor Deed, to deliver fully paid ordinary shares in its capital under all circumstances when BEN would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Terms (with all necessary modifications); and
 - (ii) the Partial Successor agrees that in all circumstances where the Partial Successor delivers fully paid ordinary shares in its capital under the Successor Deed in clause 13.2(b)(i), the Partial Successor or another entity (which is a parent entity) will subscribe for Ordinary Shares in such amount as may be necessary, or take other steps acceptable to APRA, to ensure that the capital position of the BEN Level 1 Group and BEN Level 2 Group is equivalent to the position if the Successor Deed had not been entered into and BEN was required to issue the Ordinary Shares, including, if required by APRA or APRA's prudential standards, undertaking any capital injection in relation to BEN to replace Capital Notes 2; and
- (c) in the case of either the Full Successor or the Partial Successor (as applicable):
 - (i) the Successor's ordinary shares are or are to be quoted on ASX, and the Successor agrees to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of ordinary shares issued under these Terms on the securities exchanges on which the Successor's ordinary shares are quoted at the time of delivery;
 - (ii) the Successor and BEN have obtained APRA approval and all other necessary authorisations, regulatory and governmental approvals and consents for such substitution and for the performance by the Successor of its obligations under Capital Notes 2 and the documents effecting substitution;
 - (iii) if the Successor does not have a place of business in Victoria, the Successor has appointed a process agent in Victoria to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with Capital Notes 2;
 - (iv) the Successor has, in the reasonable opinion of BEN, the financial capacity to satisfy its obligations under the Successor Deed;
 - (v) BEN has used all reasonable endeavours to give an irrevocable notice to the Holders as soon as practicable before a NOHC Event occurs specifying the amendments to Capital Notes 2 which will be made under these Terms in connection with the substitution of a NOHC as the issuer of ordinary shares on Exchange;

Appendix A Capital Notes 2 Terms

- (vi) BEN may, by an instrument in writing and without the authority, assent or approval of Holders, amend these Terms (including to provide for rights in respect of Capital Notes 2 to be held by a trustee for Holders) if BEN considers such amendment to be necessary or expedient to effect the substitution in the manner contemplated by these Terms (including for the purposes of complying with the provisions of Chapter 2L of the Corporations Act); and
- (vii) any capital injection carried out pursuant to clause 13.2(a)(i) or 13.2(b)(ii):
 - (A) is unconditional;
 - (B) occurs simultaneously with the substitution of the Successor; and
 - (C) is of equal or better quality capital and at least the same amount as the Capital Notes 2, unless otherwise approved by APRA.

A trust deed entered into in accordance with this clause may contain such provisions for the protection of the trustee, or for the purpose of ensuring that the trust deed complies with the provisions of Chapter 2L of the Corporations Act and all other applicable laws, as BEN considers appropriate.

13.3 Effect of Substitution of Full Successor

If the relevant requirements set out in clauses 13.1 and 13.2 relating to a substitution under clause 13.1(a) have been completed, on and from the Date of Substitution:

- (a) the Full Successor will assume all of the obligations of, succeed to, and be substituted for, and may exercise every right and power of, BEN under these Terms (as may be amended from time to time) with the same effect as if the Successor had been named as BEN in these Terms and the Deed Poll (save that those obligations may be owed to the Holders, or to a trustee for Holders, pursuant to the Successor Deed);
- (b) BEN (or any corporation which has previously assumed the obligations of BEN) will be released from its liability under the Terms and the Deed Poll;
- (c) if BEN gives a notice to Holders under clause 13.2(c)(v), the amended terms will have effect on and from the date specified in the notice; and
- (d) references to BEN in these Terms and the Deed Poll will be taken to be references to the Full Successor.

13.4 Effect of Substitution of Partial Successor

If the relevant requirements set out in clauses 13.1 and 13.2 relating to a substitution under clause 13.1(b) have been completed, on and from the Date of Substitution:

- (a) BEN (or any corporation which has previously assumed the obligations of BEN) will be released from any obligation it would otherwise have under these Terms to issue Ordinary Shares to Holders upon Exchange; and
- (b) if BEN gives a notice to Holders under clause 13.2(c)(v), the amended terms will have effect on and from the date specified in the notice.

14 General

14.1 Time limit for claims

A claim against BEN for a payment under Capital Notes 2 is void unless made within five years from the date on which payment became due.

14.2 Voting

- (a) The Deed Poll contains provisions for convening meetings of Holders to consider any matter affecting their interests including certain variations of these Terms which require the Holders' consent. Resolutions passed in accordance with such provisions will be binding on all Holders.
- (b) A Capital Note 2 does not entitle its Holder to attend or vote at a general meeting of BEN.
- (c) Subject to applicable law, Holders are not entitled to be provided with copies of:
 - (i) any notices of general meetings of BEN; or
 - (ii) other documents (including annual reports and financial statements) sent by BEN to holders of Ordinary Shares or other securities (if any) in BEN.

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14.3 Amendments without consent

At any time, but subject to compliance with the Corporations Act and all other applicable laws, BEN may by deed poll, without the consent of the Holders, amend these Terms or the Deed Poll, from the date specified by BEN, if BEN is of the opinion that such alteration is:

- (a) of a formal, technical or minor nature;
- (b) made to cure any ambiguity, correct any manifest error or correct or supplement any defective provision of the Terms or amend any provision of the Deed Poll;
- (c) to amend the Terms to adopt an Alternative Market Rate as the new Market Rate following the occurrence of a Market Rate Disruption Event, and to make any consequential amendments, subject to APRA's prior written approval as required under clause 2.2(b)(i)(B) and BEN acting in good faith and in a commercially reasonable manner;
- (d) necessary or expedient for the purpose of:
 - (i) enabling Capital Notes 2 to be listed for quotation, or to retain quotation, on any securities exchange, or any system that replaces it relevant to the Capital Notes 2 (including in respect of the transfer or Exchange of Capital Notes 2) or to be offered for subscription or for sale under the laws for the time being in force in any place;
 - (ii) complying with the provisions of any statute, the requirements of any statutory authority, ASX Listing Rules or the listing or quotation requirements of any securities exchange on which BEN may propose to seek a listing or quotation of Capital Notes 2; or
 - (iii) facilitating a substitution in accordance with clause 13.1 (including satisfying any requirement of APRA in connection with such a substitution);
- (e) made to amend any date or time period stated, required or permitted in connection with any Exchange, Resale or Redemption (including when the proceeds of Resale or Redemption are to be reinvested in a new security to be issued by BEN or a Related Body Corporate);
- (f) made to:
 - (i) amend the terms of the Capital Notes 2 to align them with any Relevant Tier 1 Capital Instruments issued after the Issue Date;
 - (ii) amend the definition of Relevant Tier 1 Capital Instruments on account of the issue after the Issue Date of any capital instruments of any member of the BEN Group; or
 - (iii) give effect to any agreement with the Nominated Purchaser to which Capital Notes 2 have been Resold; or
- (g) not materially prejudicial to the interests of Holders as a whole. For the purposes of determining whether the amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to Holders (or any class of Holders) and other special consequences which are personal to a Holder (or any class of Holders) do not need to be taken into account.

14.4 Amendments with consent

Without limiting clause 14.3, BEN may by deed poll amend these Terms or the Deed Poll if such alteration is approved by a Special Resolution. In this case, the Terms will be amended from the date specified in the Special Resolution or otherwise notified to the Holders (provided such date is permitted by the terms of the Special Resolution).

14.5 Meaning of amend

In clauses 14.3 and 14.4, **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

14.6 APRA approval of amendments

Prior to any amendment under clauses 14.3 and 14.4 being effective, where required BEN must obtain APRA's prior written approval (APRA approval is required where the proposed amendment may affect the eligibility of Capital Notes 2 as Relevant Tier 1 Capital Instruments under APRA's prudential standards at the relevant time) and any consent or approval required under any applicable law, regulation or ASX Listing Rule.

14.7 Ranking with respect to Distributions:

Capital Notes 2 rank in respect of payment of Distributions:

- (a) senior to Ordinary Shares;
- (b) equally and without preference among Capital Notes 2; and
- (c) equally with all Equal Ranking Securities and other securities that BEN has or may issue that by their terms rank equally with respect to priority of payment in a winding up of BEN.

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14.8 Notices

- (a) Subject to clauses 4.1(e) and 4.2(e), unless otherwise specified, all notices and other communications to Holders must be in writing and either:
- (i) sent by prepaid post (airmail if appropriate) to or left at the address of the Holders (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication);
 - (ii) sent by email or electronic message to the electronic address (if any) of the Holder as shown on the Register;
 - (iii) so long as the Capital Notes 2 are quoted on ASX, given by publication of an announcement on ASX;
 - (iv) given by an advertisement published in the Australian Financial Review, The Australian or in any other newspaper nationally circulated within Australia; or
 - (v) given in any other way agreed between BEN and any Holder (and in agreeing in such way, BEN and such Holders may have regard to the dates by which the notice is to be given under these terms.
- An accidental or inadvertent failure to give notice to a particular Holder will not invalidate a notice otherwise properly given to Holders.
- (b) Subject to clauses 4.1(e) and 4.2(e), all notices and other communications to all or any of BEN and the Registry must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of BEN and the Registry, as applicable.
- (c) Subject to clauses 4.1(e) and 4.2(e), notices and other communications take effect from the time they are taken to be received under clause 14.8(d) unless a later time is specified in them.
- (d) Notices or other communications are taken to be received
- (i) if sent by post – three Business Days after posting (or five Business Days after posting if sent to or from a place outside Australia);
 - (ii) if left at an address – when given unless received after 5.00 pm in the place of receipt or on a non-Business Day, in which case they are taken to be received at 9.00 am on the next Business Day;
 - (iii) if sent by e-mail or electronic message – on the day following its transmission to the electronic address (if any) of the Holder as shown on the Register.
 - (iv) if given by publication of an announcement on ASX – on the date of publication of that announcement; and
 - (v) if given by publication in a newspaper – on the first date that publication has been made in the required newspaper.

14.9 Power of attorney

- (a) Each Holder appoints each of BEN, its directors, officers and authorised delegates of the Board and any External Administrator of BEN (each an **Attorney**) severally to be the attorney of the Holder with power in the name and on behalf of the Holder to sign all documents and transfers and do any other thing as may in the Attorney's opinion be necessary or desirable to be done in order for the Holder to observe or perform the Holder's obligations under these Terms, including any transfers of Capital Notes 2, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Exchange, Redemption or Resale.
- (b) The power of attorney given in this clause 14.9(b) is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Terms and is irrevocable.

14.10 Ability to trade

BEN or any member of the BEN Group may, to the extent permitted by applicable laws and regulations and with APRA's prior written approval (where required), at any time buy or sell Capital Notes 2 in the open market, by tender to all or some of the Holders, by private agreement or in any other manner, at any price.

14.11 Governing law

These Terms are governed by and must be governed in accordance with the law in force in Victoria, Australia.

14.12 Jurisdiction

BEN submits, and each Holder is taken to have irrevocably and unconditionally submitted, to the non-exclusive jurisdiction of the courts of Victoria and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to these Terms.

14.13 Deed Poll

BEN's obligations in respect of Capital Notes 2 are constituted by and subject to the Deed Poll. Each Holder is taken to have notice of, and be bound by, the provisions of the Deed Poll.

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14.14 Waiver of immunity

BEN irrevocably and unconditionally waives, and each Holder is taken to have irrevocably and unconditionally waived, any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 14.12.

14.15 Consent acknowledgement

Each Holder, by subscribing for, and purchasing or otherwise acquiring a Capital Notes 2 upon Exchange, consents to becoming a member of BEN and agrees to be bound by the constitution of BEN.

15 Interpretation and definitions

15.1 Interpretation

In these Terms, except where the contrary intention appears:

- (a) a reference to:
 - (i) an agreement or instrument includes any variation, supplement, replacement or novation of that agreement or instrument;
 - (ii) a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
 - (iii) any thing is a reference to the whole and each part of it;
 - (iv) one gender includes every other gender;
 - (v) a document includes all schedules or annexes to it;
 - (vi) a clause or paragraph is to a clause or paragraph of these Terms;
 - (vii) **Australian dollars, A\$** or **Australian cent** is a reference to the lawful currency of Australia; and
 - (viii) a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) the singular includes the plural and vice versa;
- (c) the word **person** includes a firm, body corporate, an unincorporated association, or governmental or local authority or agency or other entity;
- (d) the word **law** includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) any reference to time is to Melbourne time;
- (f) headings are inserted for convenience and do not affect the interpretation of these Terms;
- (g) another grammatical form of a defined word or expression has a corresponding meaning;
- (h) other than in relation to a Capital Trigger Event or a Non-Viability Trigger Event (including an Exchange of the Capital Notes 2 on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event and a termination of rights under clause 4.6) and other than as otherwise expressly specified in these Terms, if any act or event under these Terms must be done or must occur on a stipulated day that is not a Business Day then that act or event will be done or will occur on the next Business Day;
- (i) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) if the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be);
- (l) any provisions which refer to APRA requirements or any other prudential regulatory requirements will apply to BEN only if BEN is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an entity (including a NOHC) subject to regulation and supervision by APRA at the relevant time;
- (m) any provisions which require APRA's consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time; and
- (n) any provisions in these Terms requiring prior APRA approval for a particular course of action to be taken by BEN do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.

Appendix A Capital Notes 2 Terms

15.2 Definitions

In these Terms, except where the contrary intention appears:

ADI	means an Authorised Deposit-taking Institution under the Banking Act;
Additional Tier 1 Capital	means the Additional Tier 1 Capital of the BEN Level 1 Group or the BEN Level 2 Group as defined by APRA from time to time;
Alternative Market Rate	has the meaning given in clause 2.2(b)(iii);
Applicable Regulation	means the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules, the rules and regulations of CHESS, the Corporations Act and any rules or regulations made under or pursuant to them;
APRA	means the Australian Prudential Regulation Authority (or any authority succeeding to its powers and responsibilities);
ASX	means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires;
ASX Listing Rules	means the listing rules of ASX as amended, varied or waived (whether in respect of BEN or generally) from time to time;
ASX Operating Rules	means the operating rules of ASX as amended, varied or waived (whether in respect of BEN or generally) from time to time;
ASX Settlement Operating Rules	means the settlement operating rules of ASX as amended, varied or waived (whether in respect of BEN or generally) from time to time;
Attorney	has the meaning given in clause 14.9(a);
Banking Act	means the <i>Banking Act 1959</i> (Cth);
BEN	means Bendigo and Adelaide Bank Limited (ABN 11 068 049 178);
BEN Group	means BEN (or any NOHC that is the holding company of BEN) and its Subsidiaries;
BEN Level 1 Common Equity Tier 1 Capital Ratio	means, in respect of the BEN Level 1 Group, the ratio of the Common Equity Tier 1 Capital of the BEN Level 1 Group to the risk weighted assets of the BEN Level 1 Group, calculated in accordance with APRA's prudential standards (as amended from time to time);
BEN Level 1 Group	means: (a) BEN; or (b) the "extended licensed entity" which is comprised of BEN and each Subsidiary of BEN as specified in any approval granted by APRA in accordance with APRA's prudential standards (as amended from time to time);
BEN Level 2 Common Equity Tier 1 Capital Ratio	means, in respect of the BEN Level 2 Group, the ratio of the Common Equity Tier 1 Capital of the BEN Level 2 Group to the risk weighted assets of the BEN Level 2 Group, calculated in accordance with APRA's prudential standards (as amended from time to time);
BEN Level 2 Group	means BEN and each Subsidiary that is recognised by APRA as part of BEN's Level 2 group in accordance with APRA's prudential standards (as amended from time to time);
Board	means either the board of directors of BEN or a committee appointed by the board of directors of BEN;
Bookbuild	means the process conducted before the Offer opens where brokers and investors bid for Capital Notes 2 and, on the basis of those bids, BEN sets the final Margin and announces it on ASX;
Business Day	means a day which is (i) a business day within the meaning of ASX Listing Rules, and (ii) for the purposes of determining an Exchange Date (other than a Mandatory Exchange Date) or calculation or payment of a Distribution, a date on which banks are open for general business in Melbourne;

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Call Dates	means 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031;
Capital Notes	means the non-cumulative, convertible, perpetual, subordinated, unsecured notes issued by BEN on 30 November 2020;
Capital Notes 2	means the non-cumulative, convertible, perpetual, subordinated, unsecured notes issued or to be issued by BEN on the terms set out in these Terms;
Capital Trigger Event	has the meaning given in clause 4.1(a);
Change of Control Event	has the meaning given in clause 4.7(a);
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or any system that replaces it relevant to the Capital Notes 2 (including in respect of the transfer or Exchange of Capital Notes 2);
Common Equity Tier 1 Capital	in respect of each of the BEN Level 1 Group and the BEN Level 2 Group, has the meaning determined for that term or its equivalent by APRA from time to time;
Corporations Act	means the <i>Corporations Act 2001</i> (Cth);
Cum Value	has the meaning given in clause 9.2(a);
Date of Substitution	has the meaning given in clause 13.1;
Deed Poll	means the deed poll entitled “BEN Capital Notes 2 Deed Poll” executed by BEN and dated on or around the date of the Prospectus;
Defaulting Nominated Purchaser	has the meaning given in clause 8.5;
Deferred Exchange Date	has the meaning given in clause 6.5(a);
Delisted	in relation to an Exchange Date and Non-Exchange Test Date, means that Ordinary Shares are not listed or admitted to trading on a securities exchange on that date;
Distribution	means interest payable on Capital Notes 2 under these Terms;
Distribution Payment Date	means, in respect of each Capital Note 2, 13 March, 13 June, 13 September and 13 December each year until that Capital Notes 2 has been Exchanged or Redeemed, and also the Exchange Date or Redemption Date. If any of these Distribution Payment Dates is not a Business Day, then the Distribution Payment Date becomes the next day which is a Business Day and the payment will be made in accordance with clause 11.3. The first Distribution Payment Date is 13 June 2024;
Distribution Period	means each period commencing on (and including) a Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date. However: (a) the first Distribution Period commences on (and includes) the Issue Date; and (b) the final Distribution Period ends on (but excludes) the Exchange Date or Redemption Date, as applicable;
Distribution Rate	means the interest rate (expressed as a percentage per annum) calculated or determined in accordance with clause 2.2;
Encumbrance	means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the <i>Personal Property Securities Act 2009</i> (Cth)) and any other arrangement of its kind having the same effect as any of the foregoing;

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Equal Ranking Securities	means each of: (a) Capital Notes; and (b) any preference shares in the capital of BEN or any other securities which rank or are expressed to rank equally with Capital Notes 2 in a winding up of BEN, present and future, excluding any Junior Ranking Securities;
Exchange	means the exchange of all, some or a proportion of each Capital Note 2 for Ordinary Shares under these Terms and Exchanged has a corresponding meaning;
Exchange Date	means the applicable: (a) Mandatory Exchange Date; (b) Optional Exchange Date; (c) date for Exchange specified in accordance with clause 4.1(e)(iii); (d) date for Exchange specified in accordance with clause 4.2(e)(iii); (e) date for Exchange specified in accordance with clause 4.7(b)(iii) or otherwise determined under clause 4.7(d);
Exchange Number	has the meaning given in clause 9.1;
External Administrator	means, in respect of a person: (a) a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or (b) a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertakings of that person, or in either case any similar official;
Face Value	means A\$100 per Capital Note 2, reduced (if applicable) by the amount of Face Value per Capital Note 2 which has previously been Exchanged or the amount of Face Value per Capital Note 2 for which Holders' rights have been irrevocably terminated;
FATCA	means the Foreign Account Tax Compliance Act provisions at Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into or non-US laws enacted in relation to those sections);
Financial Claims Scheme	means the financial claims scheme established under the Banking Act;
First Mandatory Exchange Condition	has the meaning given in clause 3.2(a)(i);
First Optional Exchange Restriction	has the meaning given in clause 6.4(a);
Foreign Holder	means a Holder: (a) whose address in the Register is a place outside Australia; (b) who BEN otherwise believes may not be a resident of Australia; or (c) who BEN otherwise believes are subject to the securities laws of another country and BEN is not satisfied that the laws permit the offer to, holding or acquisition of Ordinary Shares by, the Holder (but BEN will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which BEN, in its absolute discretion, regards as acceptable and not unduly onerous;

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Franking Event	has the meaning given in clause 5.2(a);
Full Successor	has the meaning given in clause 13.1(a);
Holder	means a person whose name is entered in the Register as a holder of Capital Notes 2;
Ineligible Holder	means a Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including Chapter 6 of the Corporations Act, the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth), the <i>Financial Sector (Shareholdings) Act 1998</i> (Cth) and Part IV of the <i>Competition and Consumer Act 2010</i> (Cth)) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Holder in respect of some of its Capital Notes 2, it shall only be treated as an Ineligible Holder in respect of those Capital Notes 2 and not in respect of the balance of its Capital Notes 2), and includes a Foreign Holder. BEN will be entitled to treat a Holder as not being an Ineligible Holder unless the Holder has otherwise notified it after the Issue Date and prior to the Exchange Date;
Insolvent	means insolvent under section 95A of the Corporations Act;
IRS	means the United States Internal Revenue Service;
Issue Date	means the date on which Capital Notes 2 are issued, which is expected to be on or about 25 March 2024;
Issue Date VWAP	means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clauses 9.4 to 9.7;
Junior Ranking Securities	means all Ordinary Shares, present and future;
Level 1, Level 2 and Level 3	means those terms as defined by APRA from time to time;
Mandatory Exchange Conditions	has the meaning given in clause 3.2(a);
Mandatory Exchange Date	13 September 2033 or such other date as determined under clause 3.1;
Margin	has the meaning given in clause 2.2(b)(iv);
Market Rate	has the meaning given in clause 2.2(b)(i);
Market Rate Disruption Event	has the meaning given in clause 2.2(b)(ii);
Maximum Exchange Number	has the meaning given in clause 9.1;
Meeting Provisions	means the provisions for meetings of Holders set out in schedule 2 to the Deed Poll;
NOHC	means a "non-operating holding company" within the meaning of the Banking Act;
NOHC Event	occurs when the Board initiates a restructure of the BEN Group and a NOHC becomes the ultimate holding company of BEN;
Nominated Purchaser	means, subject to clause 8.2, one or more third parties selected by BEN in its absolute discretion, provided that such party cannot be BEN or any Related Body Corporate of BEN;
Nominee	means one or more third parties appointed by BEN in its absolute discretion (which cannot be BEN, a member of the BEN Group or a Related Body Corporate of BEN) to whom Ordinary Shares are to be issued in the circumstances set out in clause 9.10;

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Non-Exchange Test Date	has the meaning given in clause 6.4(a);
Non-Viability Trigger Event	has the meaning given in clause 4.2(a);
Offer	means the invitation by BEN in the Prospectus to subscribe for Capital Notes 2;
Optional Exchange Date	has the meaning given in clause 6.3(b);
Optional Exchange Notice	has the meaning given in clause 6.1(a);
Optional Exchange Restrictions	has the meaning given in clause 6.4(b);
Ordinary Share	means a fully paid ordinary share in the capital of BEN;
Partial Successor	has the meaning given in clause 13.1(b);
Proposed Exchange Date	has the meaning given in clause 4.7(b)(iii);
Prospectus	means the prospectus relating to the offer of Capital Notes 2 dated on or about 26 February 2024, as supplemented or replaced;
Reclassification	has the meaning given in clause 9.3(a);
Record Date	means, for payment of Distributions: (a) the date that is eight calendar days prior to the relevant Distribution Payment Date; or (b) such other date determined by BEN in its absolute discretion and communicated to ASX, or in either case such other date as may be required by, or agreed with, ASX;
Redemption	means the redemption of all or some Capital Notes 2 for their Face Value under these Terms and Redeem and Redeemed have corresponding meanings;
Redemption Date	means, in respect of each Capital Note 2, the date specified by BEN as the Redemption Date in accordance with clause 5;
Register	means the register of Holders established and maintained under clause 5 of the Deed Poll and, where appropriate, the term Register includes: (a) a sub-register maintained by or for BEN in CHESSE; and (b) any branch register;
Registry	means Link Market Services Limited (ABN 54 083 214 537) or any other person appointed by BEN to maintain the Register;
Regulatory Event	has the meaning given in clause 5.4(a);
Related Body Corporate	means a related body corporate as defined in the Corporations Act, or an entity over which BEN, or a future parent entity of BEN, exercises control or significant influence;
Relevant Security	means a security forming part of the Tier 1 Capital of BEN on a Level 1 basis or Level 2 basis;
Relevant Tier 1 Capital Instruments	means Tier 1 Capital instruments of BEN (on a Level 1 or Level 2 basis) (including the Capital Notes 2) that, in accordance with their terms or by operation of law, are capable of being converted into Ordinary Shares upon a Capital Trigger Event or a Non-Viability Trigger Event;
Resale	means the sale of Capital Notes 2 by Holders to the Nominated Purchaser in accordance with clause 7 and Resell and Resold have corresponding meanings;

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Resale Date	has the meaning given in clause 7.3(a);
Resale Notice	has the meaning given in clause 7.1(a);
Resale Price	means, for a Capital Note 2, a cash amount equal to its Face Value;
Restricted Actions	has the meaning given in clause 2.7(a);
Scheduled Mandatory Exchange Date	has the meaning given in clause 3.1(a);
Second Mandatory Exchange Condition	has the meaning given in clause 3.2(a)(ii);
Second Optional Exchange Restriction	has the meaning given in clause 6.4(b);
Senior Ranking Obligations	means all deposits and other liabilities, securities (including Tier 2 Capital securities) and other obligations of BEN, present and future, other than Equal Ranking Securities or Junior Ranking Securities;
Special Resolution	means: <ul style="list-style-type: none"> (a) a resolution passed at a meeting of Holders duly called and held under the Meeting Provisions by at least 75% of the votes cast; or (b) a resolution passed by postal ballot or written resolution by Holders of at least 75% of the aggregate Face Value of Capital Notes 2 then outstanding;
Subsidiary	has the meaning given in the Corporations Act;
Successor	has the meaning given in clause 13.1;
Successor Deed	has the meaning given in clause 13.2(a)(ii);
Tax	means: <ul style="list-style-type: none"> (a) any tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or (b) any income, stamp or transaction duty, tax or charge, which is assessed, levied, imposed or collected by any governmental agency and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above;
Tax Act	means the <i>Income Tax Assessment Act 1936</i> (Cth) and, where applicable, the <i>Income Tax Assessment Act 1997</i> (Cth) (both as amended from time to time);
Tax Change	means: <ul style="list-style-type: none"> (a) an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any laws, treaties or any regulations affecting taxation in Australia; (b) a judicial decision interpreting, applying or clarifying laws or regulations affecting taxation in Australia; (c) an administrative pronouncement, ruling (private or public), confirmation, advice or action (including a failure or refusal to provide a ruling) affecting taxation in Australia that represents an official position, including a clarification of an official position of the governmental authority or regulatory body in Australia making the administrative pronouncement or taking any action (including any that (A) provides for a position that differs from the current generally accepted position, or (B) may be prospective); or (d) a challenge asserted or threatened in connection with the Capital Notes 2 in writing from the Australian Taxation Office, which is announced or occurs (as applicable) on or after the Issue Date and which BEN did not expect as at the Issue Date;

Appendix A Capital Notes 2 Terms

Tax Event	has the meaning given in clause 5.3(a);
Tax Rate	has the meaning given in clause 2.2(b)(v);
Terms	means these terms and conditions of Capital Notes 2, as set out in schedule 1 to the Deed Poll;
Third Mandatory Exchange Condition	has the meaning given in clause 3.2(a)(iii);
Tier 1 Capital	means the Tier 1 Capital of BEN on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time;
Tier 2 Capital	means the Tier 2 Capital of BEN on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time;
VWAP	means the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant VWAP Period, subject to any adjustments made under clauses 9.2 and 9.3, but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares, or any other trade determined by the Board in its discretion not to be reflective of normal trading in Ordinary Shares; and
VWAP Period	means: <ul style="list-style-type: none"> (a) in the case of an Exchange resulting from a Capital Trigger Event, or a Non-Viability Trigger Event, the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; (b) in the case of any other Exchange, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; or (c) otherwise, the period for which the VWAP is to be calculated in accordance with these Terms.

Appendix B Glossary

Where indicated, certain terms in this Glossary are defined by reference to the Terms provided in Appendix A.

ABN	Australian Business Number
Additional Tier 1 Capital	the Additional Tier 1 Capital of the BEN Level 1 Group or the BEN Level 2 Group as defined by APRA from time to time
ADI	Authorised Deposit-taking Institution, as defined in the Banking Act
AFSL	Australian Financial Services Licence
Allocation	the number of Capital Notes 2 allocated under this Prospectus via the Bookbuild to Applicants under the Reinvestment Offer and the New Money Offer Allocate and Allocated have corresponding meanings
Allotment	the allotment of Capital Notes 2 to Applicants on the Issue Date under their Allocation Allotted and Allot have corresponding meanings
Alternative Market Rate	has the meaning given in clause 2.2(b)(iii) of the Capital Notes 2 Terms
Applicant	a person who submits an Application in accordance with this Prospectus
Application	a valid application for a specified number of Capital Notes 2 made in accordance with this Prospectus
Application Form	an electronic form attached to, or accompanying, this Prospectus, which Syndicate Brokers may require Applicants to complete
Application Payment	the monies payable on each Application, calculated as the number of Capital Notes 2 applied for multiplied by the Issue Price
APRA	the Australian Prudential Regulation Authority or any successor body responsible for prudential regulation of BEN, the BEN Group or any NOHC
APRA Discussion Paper	the discussion paper released by APRA on 21 September 2023 titled "Discussion Paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia"
ASIC	the Australian Securities and Investments Commission
Arranger	Westpac Institutional Bank (a division of Westpac Banking Corporation)
Asset and Liability Management Committee or ALMAC	BEN's Asset and Liability Management Committee, whose purpose is to manage the Group's balance sheet in a way that balances earnings potential within the Board approved risk appetite framework. In doing this, the Committee considers capital, liquidity, interest rate and traded market risks inherent in the balance sheet
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires
ASX Listing Rules or Listing Rules	the listing rules of ASX as amended, varied or waived (whether in respect of BEN or generally) from time to time
Australian Tax Letter	the summary of the Australian tax consequences for persons who may become Holders based on Australian income tax law as at the date of this Prospectus contained in Section 7
Australian Accounting Standards	the standards of that name issued by the Australian Accounting Standards Board from time to time
Banking Act	<i>Banking Act 1959</i> (Cth)
Basel III	the Prudential Standards and reporting standards which became effective on 1 January 2013 and which give effect to the capital reforms of the Basel Committee on Banking Supervision applicable to ADIs
BEN, Bendigo and Adelaide Bank or the Bank	Bendigo and Adelaide Bank Limited (ABN 11 068 049 178)

Appendix B Glossary

BEN Group	BEN (or any NOHC that is the holding company of BEN) and each entity it controls (in accordance with the definition of 'control' under the Corporations Act)
BEN Level 1 Common Equity Tier 1 Capital Ratio	in respect of the BEN Level 1 Group, the ratio of the Common Equity Tier 1 Capital of the BEN Level 1 Group to the risk weighted assets of the BEN Level 1 Group, calculated in accordance with APRA's Prudential Standards (as amended from time to time)
BEN Level 1 Group	BEN or the "extended licensed entity" which is comprised of BEN and each Subsidiary of BEN as specified in any approval granted by APRA in accordance with APRA's Prudential Standards (as amended from time to time)
BEN Level 2 Common Equity Tier 1 Capital Ratio	in respect of the BEN Level 2 Group, the ratio of the Common Equity Tier 1 Capital of the BEN Level 2 Group to the risk weighted assets of the BEN Level 2 Group, calculated in accordance with APRA's Prudential Standards (as amended from time to time)
BEN Level 2 Group	BEN and each Subsidiary that is recognised by APRA as part of BEN's Level 2 group in accordance with APRA's Prudential Standards (as amended from time to time)
Board or Board of Directors	either the board of directors of BEN or a committee appointed by the board of directors of BEN
Board Financial Risk Committee	a committee of the BEN Board. Its purpose is to provide the Board with objective and active oversight of the Group's risk profile and the risk management framework in relation to financial risks (including climate change financial risks, biodiversity and natural capital risk). In the discharge of its responsibilities, the Committee ensures that the strategies, policies and practices it oversees comply with legal and regulatory requirements, align with the Bank's purpose, values and strategic objectives and are consistent with the Bank's risk appetite and culture
Bookbuild	the process conducted before the Offer opens by the Joint Lead Managers as agents for BEN to determine the Margin and firm Allocations of Capital Notes 2 to Syndicate Brokers and Institutional Investors and announces it on the ASX
Business Day	a business day which is: <ul style="list-style-type: none"> • a business day within the meaning of the ASX Listing Rules; and • for the purposes of determining an Exchange Date (other than a Mandatory Exchange Date), or calculation or payment of a Distribution, a date on which banks are open for general business in Melbourne
Call Dates	each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031
Capital Notes	the non-cumulative, convertible, perpetual, subordinated, unsecured notes issued by BEN on 30 November 2020 which are quoted on ASX under the code BENPH
Capital Notes 2 or CN2	the non-cumulative, convertible, perpetual, subordinated, unsecured notes of BEN to be issued under the Capital Notes 2 Terms
Capital Notes 2 Deed Poll or Deed Poll	the deed poll entitled "Capital Notes 2 Deed Poll" executed by BEN and dated on or around the date of the Bookbuild
Capital Notes 2 Terms or Terms	the full terms of issue of Capital Notes 2, as set out in Appendix A
Capital Trigger Event	occurs when BEN determines, or APRA notifies BEN in writing that it believes, that either or both the BEN Level 1 Common Equity Tier 1 Capital Ratio or the BEN Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125% See clause 4.1(a) of the Capital Notes 2 Terms
CCB	capital conservation buffer
CGT	capital gains tax
Chair	the chair of the Board
Change of Control Event	has the meaning given in clause 4.7(a) of the Capital Notes 2 Terms

Appendix B Glossary

Change of Control Exchange Date	the date on which Exchange as a result of a Change of Control Event is to occur, as discussed in Section 2.7 (or in further detail in clause 4.7 of the Capital Notes 2 Terms)
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) or any system that replaces it relevant to the Capital Notes 2 (including in respect of the transfer or Exchange of Capital Notes 2)
Closing Date	the last day on which Applications will be accepted, which is expected to be 5:00pm on Tuesday, 19 March 2024 for the Reinvestment Offer and New Money Offer
Co-Managers	JBWere Ltd, LGT Crestone Wealth Management Limited and Wilsons Advisory and Stockbroking Limited
Common Equity Tier 1 Capital or CET1 Capital	in respect of each of the BEN Level 1 Group and the BEN Level 2 Group, has the meaning determined for that term or its equivalent by APRA from time to time
Common Equity Tier 1 Capital Ratio or CET1 Capital Ratio	the ratio of Common Equity Tier 1 Capital to risk weighted assets of the BEN Level 1 Group or the BEN Level 2 Group (as applicable) as prescribed by APRA from time to time
Community Bank	Community Bank branches engage and involve communities in securing access to branch banking services. Essentially, a local publicly owned company invests in the right to operate a BEN branch. BEN supplies all banking and back office services while the community company operates the retail outlet. Revenue is shared, enabling communities to profit from their own banking and channel those profits back into community enterprise and development
Consenting Party	each of the consenting parties named in Section 8.7
Constitution	the constitution of BEN, as amended from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CPS4	BEN Converting Preference Shares 4, being the existing converting preference shares issued under Rule 3 of the Constitution which are quoted on ASX under the code BENPG
CPS4 Dividend	a dividend on CPS4
CPS4 Holder	a person whose name is registered in the CPS4 register as the holder of a CPS4
CPS4 Nominated Purchaser	UBS AG, Australia Branch
CPS4 Resale	the purchase of CPS4 by the CPS4 Nominated Purchaser on 25 March 2024, with the proceeds to be used as the Application Payment for the corresponding number of Capital Notes 2
CPS4 Resale Proceeds	\$100 per CPS4 acquired by the CPS4 Nominated Purchaser pursuant to the CPS4 Resale
CPS4 Terms	the full terms of issue of the CPS4, as amended from time to time
CRS	the Common Reporting Standard for the Automatic Exchange of Financial Account Information in Tax Matters approved by the Organisation for Economic Co-operation and Development
DDO Laws	the Corporations Act provisions (in Part 7.8A of the Corporations Act) which were introduced by the <i>Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019</i> (Cth)
Delisted	in relation to an Exchange Date and Non-Exchange Test Date, means that Ordinary Shares are not listed or admitted to trading on a securities exchange on that date
Directors	some or all of the directors of BEN
Distribution	the interest payable on Capital Notes 2 under the Capital Notes 2 Terms

Appendix B Glossary

Distribution Payment Date	<p>in respect of each Capital Note 2, 13 March, 13 June, 13 September and 13 December each year until that Capital Note 2 has been Exchanged or Redeemed, and also the Exchange Date or Redemption Date. If any of these Distribution Payment Dates is not a Business Day, then the Distribution Payment Date becomes the next day which is a Business Day and the payment will be made in accordance with clause 11.3 of the Capital Notes 2 Terms. The first Distribution Payment Date is 13 June 2024</p> <p>For the full definition – see clause 15.2 of the Capital Notes 2 Terms</p>
Distribution Payment Conditions	<p>the tests which need to be satisfied before BEN will pay a Distribution on any Distribution Payment Date, being:</p> <ul style="list-style-type: none"> • the Directors, at their absolute discretion, resolving to pay the Distribution to the Holders; • the payment of the Distribution not resulting in a breach of BEN's capital requirements under APRA's Prudential Standards as they are applied to the BEN Level 1 Group or the BEN Level 2 Group or both at the time of the payment, or of the Corporations Act; • paying the Distribution not resulting in BEN becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and • APRA not otherwise objecting to the Distribution being paid on the Distribution Payment Date <p>For further details, see clause 2.5 of the Capital Notes 2 Terms</p>
Distribution Period	<p>each period commencing on (and including) a Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date. However:</p> <ul style="list-style-type: none"> • the first Distribution Period commences on (and includes) the Issue Date; and • the final Distribution Period ends on (but excludes) the Exchange Date or Redemption Date, as applicable
Distribution Rate	<p>the distribution rate on Capital Notes 2 calculated using the formula described in Section 2.3.2</p> <p>For the full definition – see clause 2.2 of the Capital Notes 2 Terms</p>
Eligible CPS4 Holder	<p>an investor who:</p> <ol style="list-style-type: none"> a) is a registered holder of CPS4 shown on the Register at 7:00pm (Melbourne time) on the Reinvestment Offer Record Date, being 22 February 2024, as having an address in Australia; b) is a company or individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; c) has an Australian residential address; and d) is either: <ul style="list-style-type: none"> • within the Target Market and has received personal financial product advice from a financial adviser to acquire Capital Notes 2, or • a Wholesale Client
Equal Ranking Securities	<p>each of:</p> <ul style="list-style-type: none"> • CPS4; • Capital Notes; and • any preference shares in the capital of BEN or any other securities which rank or are expressed to rank equally with Capital Notes 2 in a winding up of BEN, present and future, excluding any Junior Ranking Securities
Exchange	<p>the exchange of all, some or a proportion of each Capital Note 2 for Ordinary Shares under the Capital Notes 2 Terms</p> <p>Exchanged has the corresponding meaning</p>
Exchange Date	<p>the date on which the Exchange is to occur</p> <p>For the full definition – see the definition of “Exchange Date” in clause 15.2 of the Capital Notes 2 Terms</p>
Exchange Number	<p>has the meaning given in clause 9.1 of the Capital Notes 2 Terms</p>
Expiry Date	<p>the date which is 13 months after the date of this Prospectus</p>

Appendix B Glossary

Exposure Period	the seven day period after the date this Prospectus is lodged with ASIC (which may be extended by up to a further seven days (that is, up to a total of 14 days)) during which the Corporations Act prohibits the processing of Applications
External Administrator	in respect of a person: <ul style="list-style-type: none">• a liquidator, a provisional liquidator, an administrator or a statutory manager of that person; or• a receiver, or a receiver and manager, in respect of all or substantially all of the assets and undertakings of that person, or in either case any similar official
Face Value	A\$100 per Capital Note 2 (Initial Face Value) reduced (if applicable) by the amount of Face Value per Capital Note 2 which has previously been Exchanged or the amount of Face Value per Capital Note 2 for which Holders' rights have been irrevocably terminated
FATCA	the Foreign Account Tax Compliance Act provisions, sections 1471 through 1474 of the United States Internal Revenue Code 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into or non-US laws enacted in relation to those sections)
FATCA Intergovernmental Agreement	the Agreement between the Government of Australia and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA
Financial Claims Scheme	the scheme established under Division 2AA of Part II of the Banking Act
First Mandatory Exchange Condition	the VWAP on the 25th Business Day on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred) is greater than 56.12% of the Issue Date VWAP See Section 2.5.5 of this Prospectus or clause 3.2(a)(i) of the Capital Notes 2 Terms
First Optional Exchange Restriction	on the second Business Day before the date on which an Optional Exchange Notice is to be sent by BEN (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred), the VWAP on that date is less than or equal to 22.20% of the Issue Date VWAP See Section 2.4.5 of this Prospectus or clause 6.4(a) of the Capital Notes 2 Terms
First Pro Rata Dividend	that proportion of the CPS4 Dividend that is scheduled to be paid on all CPS4 on the Issue Date of CN2, and to be calculated in accordance with the CPS4 Terms using the bank bill rate on 13 March 2024 and the franking percentage applicable on the Reinvested CPS4 Reinvestment Date. It will be paid in respect of the period from (and including) 13 March 2024 to (but excluding) the Reinvested CPS4 Reinvestment Date
Franking Event	occurs if, BEN receives an opinion from a reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a Tax Change any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act (or would only be able to do so subject to requirements which BEN determines, in its absolute discretion, to be unacceptable); For further details, see clause 5.2(a) of the Capital Notes 2 Terms
Full Successor	has the meaning given in clause 13.1(a) of the Capital Notes 2 Terms
GST	goods and services tax

Appendix B Glossary

Holding Statement	a statement issued to Holders by the Registry which sets out details of Capital Notes 2 allotted to them under the Offer
Holder	a person whose name is entered in the Register as a holder of Capital Notes 2
Ineligible Holder	either: <ul style="list-style-type: none"> • a Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the <i>Corporations Act</i>, the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth), the <i>Financial Sector (Shareholdings) Act 1998</i> (Cth) and Part IV of the <i>Competition and Consumer Act 2010</i> (Cth)) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Holder in respect of some of its Capital Notes 2, it shall only be treated as an Ineligible Holder in respect of those Capital Notes 2 and not in respect of the balance of its Capital Notes 2); or • a Holder whose address in the Register is a place outside Australia, who BEN otherwise believes may not be a resident of Australia, or who BEN otherwise believes are subject to the securities laws of another country and BEN is not satisfied that the laws permit the offer to, or holding or acquisition of Ordinary Shares by, the Holder (but BEN will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which BEN, in its absolute discretion, regards as acceptable and not unduly onerous
Institutional Investor	a sophisticated or professional investor (whether an Australian resident or not) to whom Capital Notes 2 are able to be offered under applicable laws without the need for any prospectus, product disclosure statement, registration or other formality (other than a registration or formality which BEN is willing to comply with) including, in Australia, persons to whom offers of securities can be made without the need for a lodged prospectus, who were invited by the Joint Lead Managers to bid for Capital Notes 2 in the Bookbuild, and provided that such investor was not in the United States
Issue Date	the date on which Capital Notes 2 are issued, expected to be 25 March 2024
Issue Date VWAP	the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clauses 9.4 to 9.7 of the Capital Notes 2 Terms
Issue Price	the date on which Capital Notes 2 are issued, expected to be 25 March 2024
Joint Lead Managers	ANZ Securities Limited, Commonwealth Bank of Australia, National Australia Bank Limited, Ord Minnett Limited, UBS and Westpac Institutional Bank (a division of Westpac Banking Corporation)
Junior Ranking Securities	all Ordinary Shares, present and future
LCR	liquidity coverage ratio
Level 1 and Level 2	has the meaning prescribed by APRA from time to time
Mandatory Exchange	the mandatory Exchange of Capital Notes 2 to Ordinary Shares on the Mandatory Exchange Date See clause 3 of the Capital Notes 2 Terms
Mandatory Exchange Conditions	the First Mandatory Exchange Condition, the Second Mandatory Exchange Condition and the Third Mandatory Exchange Condition See clause 3.2(a) of the Capital Notes 2 Terms

Appendix B Glossary

Mandatory Exchange Date	<p>the first of the following dates:</p> <ul style="list-style-type: none"> • 13 September 2033 (Scheduled Mandatory Exchange Date); and • the first Distribution Payment Date after the Scheduled Mandatory Exchange Date, on which the Mandatory Exchange Conditions are satisfied <p>See clause 3.1 of the Capital Notes 2 Terms</p>
Margin	the margin payable on Capital Notes 2 (expressed as a percentage per annum) determined under the Bookbuild
Market Rate	the floating rate component of the Distribution Rate determined using the methodology described in clause 2.2 of the Capital Notes 2 Terms
Market Rate Disruption Event	<p>occurs when, in BEN's opinion, the Market Rate:</p> <ul style="list-style-type: none"> • is not published by 10:30am or such other time that BEN considers appropriate on that day; • is published but is affected by an obvious error; • has been discontinued or otherwise ceased to be calculated or administered; or • is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of Capital Notes 2 <p>For further details, see clause 2.2(b)(ii) of the Capital Notes 2 Terms</p>
Maximum Exchange Number	the number of Ordinary Shares calculated using the formula described in clause 9.1 of the Capital Notes 2 Terms
New Money Offer	<p>the offer made to eligible clients of Syndicate Brokers, and Institutional Investors, to apply for a new investment in Capital Notes 2 (i.e. not under the Reinvestment Offer)</p> <p>Applications for the New Money Offer can only be made by investors who receive an Allocation from the Syndicate Broker via the Bookbuild</p>
NOHC	a 'non-operating holding company' within the meaning of the Banking Act
NOHC Event	<p>occurs when the Board initiates a restructure of the BEN Group and a NOHC becomes the ultimate holding company of BEN</p> <p>For further details, see clause 13 of the Capital Notes 2 Terms</p>
Nominated Purchaser	subject to clause 8.2 of the Capital Notes 2 Terms which contains certain conditions, one or more third parties selected by BEN in its absolute discretion, provided that such party cannot be BEN or any Related Body Corporate of BEN
Nominee	one or more third parties appointed by BEN in its absolute discretion (which cannot be BEN, a member of the BEN Group or a Related Body Corporate of BEN) to whom Ordinary Shares are to be issued in the circumstances set out in clause 9.10 of the Capital Notes 2 Terms
Non-Exchange Test Date	<p>the second Business Day before the date on which an Optional Exchange Notice is to be sent by BEN (or, if trading in Ordinary Shares did not occur on that date, the last Business Day prior to that date on which trading in Ordinary Shares occurred)</p> <p>For further details, see clause 6.4(a) of the Capital Notes 2 Terms</p>
Non-Participating CPS4	CPS4 that are not reinvested in CN2 under the Reinvestment Offer
Non-Viability Trigger Event	<p>occurs when APRA notifies BEN in writing that it considers:</p> <ul style="list-style-type: none"> • Exchange of all or some Capital Notes 2, or exchange, conversion or write down of other capital instruments of the BEN Group, is necessary because, without it, BEN would become non-viable; or • without a public sector injection of capital, or equivalent support, BEN would become non-viable <p>For further details, see clause 4.2(a) of the Capital Notes 2 Terms</p>
Offer	the offer by BEN of Capital Notes 2 under this Prospectus to raise \$250 million with the ability to raise more or less and consists of the Reinvestment Offer and the New Money Offer

Appendix B Glossary

Offer Management Agreement or OMA	the offer management agreement entered into between BEN and the Joint Lead Managers as summarised in Section 8.6
Offer Period	the period from the Opening Date to the Closing Date
Opening Date	the day the Offer opens, which is Tuesday, 5 March 2024
Optional Exchange	refers to the Exchange of Capital Notes 2 at the option of BEN For the full description – see clause 6 of the Capital Notes 2 Terms
Optional Exchange Date	the date on which Exchange is to occur, which: <ul style="list-style-type: none"> • in the case of an Exchange following the occurrence of a Franking Event, Tax Event or Regulatory Event, is the next Distribution Payment Date that is at least ten Business Days after the date of the Optional Exchange Notice, unless BEN determines an earlier date having regard to the best interests of Holders as a whole and the relevant event; or • in the case of an Optional Exchange at the election by BEN on a Call Date, is the relevant Call Date For the full description – see clause 6.3 of the Capital Notes 2 Terms
Optional Exchange Notice	with APRA's prior written approval, a notice issued by BEN to the ASX and the Holders electing to Exchange: <ul style="list-style-type: none"> • all or some Capital Notes 2 on the Optional Exchange Date following the occurrence of a Franking Event, Tax Event or a Regulatory Event; or • all or some Capital Notes 2 on a Call Date
Optional Exchange Restrictions	the First Optional Exchange Restriction and the Second Optional Exchange Restriction
Ordinary Share	a fully paid ordinary share in the capital of BEN
Ordinary Shareholder	a holder of an Ordinary Share
Partial Successor	has the meaning given in clause 13.1(b) of the Capital Notes 2 Terms
Participating Broker	any participating organisation of ASX selected by the Joint Lead Managers to participate in the Bookbuild
Participating CPS4	CPS4 that are reinvested in CN2 under the Reinvestment Offer
Privacy Act	<i>Privacy Act 1988</i> (Cth)
Prospectus	this document (including the electronic form of this Prospectus), and any supplementary or replacement prospectus in relation to this document
Prudential Standards	the prudential standards and guidelines published by APRA and applicable to BEN or the BEN Group from time to time, which define and document APRA's framework for assessing, among other things, the capital adequacy of an ADI
RBA	Reserve Bank of Australia
Redemption	the redemption of all or some Capital Notes 2 for their Face Value under the Capital Notes 2 Terms Redeemed and Redemption have corresponding meanings For a full description of the Redemption mechanics – see clause 5 of the Capital Notes 2 Terms
Redemption Date	in respect of each Capital Note 2, the date specified by BEN as the Redemption Date in accordance with clause 5 of the Capital Notes 2 Terms
Register	the official register of Ordinary Shares, Capital Notes, CPS4 and/or Capital Notes 2 (if issued) as the context requires, each being maintained by the Registry on BEN's behalf and including any subregister established and maintained in CHESS
Registry	Link Market Services Limited or any other registry that BEN appoints to maintain the Register

Appendix B Glossary

Regulatory Event	<p>occurs if BEN determines that as a result of an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation in Australia or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations or any statement of APRA which amendment, clarification or change is effective, or pronouncement, action or decision is announced on or after the Issue Date and which BEN did not expect as at the Issue Date (including any announcement of a prospective amendment, clarification or change which has been or will be introduced):</p> <ul style="list-style-type: none"> • having received all approvals they consider in their absolute discretion to be necessary (including from APRA), BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital, except where the reason BEN is not or will not be entitled to treat all CN2 as Additional Tier 1 Capital is because BEN has exceeded a limit or other restriction on the recognition of Additional Tier 1 Capital which was in effect on the Issue Date or which on the Issue Date is expected by BEN to come into effect; • more than de minimis additional requirements would be imposed on BEN or the BEN Group in relation to or in connection with CN2 (which were not expected by BEN at the Issue Date) which BEN determines, in its absolute discretion, to be unacceptable; or • to have CN2 outstanding would be unlawful or impractical or that BEN or the BEN Group would be exposed to a more than de minimis increase in its costs in connection with those CN2. <p>For further details, see clause 5.4 of the Capital Notes 2 Terms</p>
Reinvested CPS4	those CPS4 that an Eligible CPS4 Holder elects to be reinvested in Capital Notes 2 under the terms of the Reinvestment Offer
Reinvested CPS4 Reinvestment Date	the date Reinvested CPS4 are reinvested, expected to be 25 March 2024
Reinvestment Offer	<p>the invitation to Eligible CPS4 Holders to reinvest their CPS4 Resale Proceeds relating to all or some of their CPS4 into Capital Notes 2 under this Prospectus</p> <p>Applications under the Reinvestment Offer can only be made by investors who receive an Allocation from a Syndicate Broker via the Bookbuild. BEN will use best endeavours to give priority to Applications received under the Reinvestment Offer</p>
Related Body Corporate	a related body corporate as defined in the Corporations Act, or an entity over which BEN, or a future parent entity of BEN, exercises control or significant influence
Relevant Distribution Payment Date	the Distribution Payment Date on which a Distribution has not been paid in full
Relevant Security	a security forming part of the Tier 1 Capital of BEN on a Level 1 basis or Level 2 basis
Resale	<p>the sale of Capital Notes 2 by Holders to the Nominated Purchaser in accordance with clause 7 of the Capital Notes 2 Terms</p> <p>Resell and Resold have corresponding meanings</p> <p>For a full description of the Resale mechanics – see clauses 7 and 8 of the Capital Notes 2 Terms</p>
Resale Date	<p>the date on which Resale is to occur, which:</p> <ul style="list-style-type: none"> • in the case of a Resale following the occurrence of a Franking Event, Tax Event or Regulatory Event, will be a day no earlier than ten Business Days and no more than 60 Business Days after the date on which the notice in respect of the Resale is given by BEN; or • in the case of a Resale at the election of BEN on a Call Date, is the relevant Call Date <p>For the full description – see clause 7.3 of the Capital Notes 2 Terms</p>
Resale Price	for a Capital Note 2, a cash amount equal to its Face Value
Restricted Actions	has the meaning given in clause 2.7(a) of the Capital Notes 2 Terms
Scheduled Mandatory Exchange Date	13 September 2033

Appendix B Glossary

Second Mandatory Exchange Condition	<p>the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date is greater than 50.51% of the Issue Date VWAP</p> <p>See Section 2.5.5 of this Prospectus or clause 3.2(a)(ii) of the Capital Notes 2 Terms</p>
Second Optional Exchange Restriction	<p>the Ordinary Shares have been Delisted as at the Non-Exchange Test Date</p> <p>See Section 2.4.5 of this Prospectus or clause 6.4(b) of the Capital Notes 2 Terms</p>
Second Pro Rata Dividend	<p>that proportion of the CPS4 Dividend that is scheduled to be paid on all CPS4 outstanding on 13 June 2024 (that is CPS4 which have not been resold as part of the Reinvestment Offer) and to be calculated using the same bank bill rate as that used to calculate the First Pro Rata Dividend and the franking percentage applicable on 13 June 2024. It will be paid in respect of the period from (and including) the Reinvested CPS4 Reinvestment Date to (but excluding) 13 June 2024</p>
Senior Ranking Obligations	<p>all deposits and other liabilities, securities (including Tier 2 Capital securities) and other obligations of BEN, present and future, other than Equal Ranking Securities or Junior Ranking Securities</p>
Settlement Date	<p>the settlement date for the Offer, being 22 March 2024, which is the Business Day prior to the Issue Date</p>
Special Resolution	<p>either:</p> <ul style="list-style-type: none"> • a resolution passed at a meeting of Holders duly called and held under the provisions for meetings of Holders set out in the Capital Notes 2 Deed Poll by at least 75% of the votes cast; or • a resolution passed by postal ballot or written resolution by Holders of at least 75% of the aggregate Face Value of Capital Notes 2 then outstanding
Subsidiary	<p>has the meaning given in the Corporations Act</p>
Syndicate Broker	<p>any of the Joint Lead Managers, Co-Managers or Participating Brokers</p>
Target Market	<p>the class of retail investors that comprise the target market for Capital Notes 2, as set out in the TMD and described in the “Design and distribution obligations” section at the front of this Prospectus and in Section 4.2</p>
Target Market Determination or TMD	<p>the Target Market Determination made for the purposes of section 994B of the Corporations Act in relation to Capital Notes 2 (as amended or replaced from time to time). A copy of the Target Market Determination is available from www.CN2offer.bendigoadelaide.com.au</p>
Tax Act	<ul style="list-style-type: none"> • the <i>Income Tax Assessment Act 1936</i> (Cth) or the <i>Income Tax Assessment Act 1997</i> (Cth) as the case may be and a reference to any Section of the <i>Income Tax Assessment Act 1936</i> (Cth) includes a reference to that Section as rewritten in the <i>Income Tax Assessment Act 1997</i> (Cth); and • any other Act setting the rate of income tax payable and any regulation promulgated under it
Tax Change	<p>any of the following:</p> <ol style="list-style-type: none"> a) an amendment to, clarification of or change (including any announcement of any change that will be introduced) in any laws, treaties or any regulations affecting taxation in Australia; b) a judicial decision interpreting, applying or clarifying laws or regulations affecting taxation in Australia; c) an administrative pronouncement, ruling (private or public), confirmation, advice or action (including a failure or refusal to provide a ruling) affecting taxation in Australia that represents an official position, including a clarification of an official position of the governmental authority or regulatory body in Australia making the administrative pronouncement or taking any action (including any that (A) provides for a position that differs from the current generally accepted position, or (B) may be prospective); or d) a challenge asserted or threatened in connection with CN2 in writing from the Australian Taxation Office, <p>which is announced or occurs (as applicable) on or after the Issue Date and which BEN did not expect as at the Issue Date</p>

Appendix B Glossary

Tax Event	occurs if BEN receives an opinion from a reputable legal counsel or other tax adviser in Australia experienced in such matters, to the effect that there is a material risk that as a result of a Tax Change, BEN would be required to pay an increased amount under clause 11.6 of the Capital Notes 2 Terms, or BEN or another member of the BEN Group would be exposed to more than a de minimis adverse tax consequence or increased cost (including through the imposition of any taxes, duties, assessments or other charges) in relation to the Capital Notes 2 For further details, see clause 5.3 of the Capital Notes 2 Terms
Tax Rate	the Australian corporate tax rate applicable to the franking account of BEN on the relevant Distribution Payment Date As at the date of this Prospectus, the relevant rate is 30%
TFN	Tax File Number
Third Mandatory Exchange Condition	the Ordinary Shares have not been Delisted as at the Mandatory Exchange Date See Section 2.5.5 of this Prospectus or clause 3.2(a)(iii) of the Capital Notes 2 Terms
Tier 1 Capital	tier 1 capital of ADIs (including BEN) as prescribed by APRA from time to time
Tier 1 Capital Ratio	has the meaning prescribed by APRA from time to time
Tier 2 Capital	tier 2 capital of ADIs (including BEN) as prescribed by APRA from time to time
Total Capital	has the meaning prescribed by APRA from time to time
UBS AG, Australia Branch or UBS	UBS AG, Australia Branch (ABN 47 088 129 613)
US Person	has the meaning given in Regulation S of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended
VWAP	the average of the daily volume weighted average sales prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant VWAP Period, subject to any adjustments made under clauses 9.2 and 9.3 of the Capital Notes 2 Terms, but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules (being the market operating rules of ASX as amended, varied or waived (whether in respect of BEN or generally) from time to time), or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares, or any other trade determined by the Board in its discretion not to be reflective of normal trading in Ordinary Shares
VWAP Period	<ul style="list-style-type: none"> • in the case of an Exchange resulting from a Capital Trigger Event, or a Non-Viability Trigger Event, the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; • in the case of any other Exchange, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; or • otherwise, the period for which the VWAP is to be calculated in accordance with the Capital Notes 2 Terms
Westpac Institutional Bank	a division of Westpac Banking Corporation (ABN 33 007 457 141)
Wholesale Client	has the meaning given in sections 761G and 761GA of the Corporations Act
Written Off or Write-Off	has the meaning described in Section 2.6.7

Corporate directory

Issuer

Bendigo and Adelaide Bank Limited

The Bendigo Centre
Bendigo VIC 3550

Legal and Tax Adviser

Allens

Level 37, 101 Collins Street
Melbourne VIC 3000

Registry

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Auditor

Ernst & Young

8 Exhibition Street
Melbourne VIC 3000

Arranger and Joint Lead Manager

Westpac Institutional Bank, a division of Westpac Banking Corporation

Level 3, Westpac Place, 275 Kent Street
Sydney NSW 2000

Joint Lead Managers

ANZ Securities Limited

Level 9, 833 Collins Street
Docklands VIC 3008

Commonwealth Bank of Australia

Level 8, Commonwealth Bank Place North,
1 Harbour Street
Sydney NSW 2000

National Australia Bank Limited

Level 6, 2 Carrington Street
Sydney NSW 2000

Ord Minnett Limited

Level 8, NAB House, 255 George Street
Sydney NSW 2000

UBS AG, Australia Branch

Level 16, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Co-Managers

JBWere Ltd

Level 31, 405 Bourke Street
Melbourne VIC 3000

LGT Crestone Wealth Management Limited

Level 32, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Wilsons Advisory and Stockbroking Limited

Level 53, 111 Eagle Street
Brisbane QLD 4000

How to contact us

Please call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) on Monday to Friday between 8:30am to 7:30pm (Melbourne time)

Website www.CN2offer.bendigoadelaide.com.au



**Bendigo and
AdelaideBank**