



## **DIVIDEND RE-INVESTMENT PLAN**

The Adelaide Bank Limited (“the Bank”) Dividend Reinvestment Plan (“the Plan”) is an optional and convenient way of increasing your holding in the Bank’s ordinary shares by reinvesting all or part of your dividend in additional Shares. At each date on which a dividend is paid, the dividend on the shares participating in the Plan is automatically credited to you by the Bank and then reinvested in new Shares.

Shares issued under the Plan are allotted to you free of brokerage, commission and any other transactional costs. Shares allotted under the Plan rank equally in all respects with existing Shares.

Participation is entirely optional. You may join the Plan, vary your participation or withdraw from the Plan at any time.

If you choose to participate in the Plan, a statement will be sent to you after each dividend payment detailing your participation in the Plan. A summary of the Plan together with a copy of the terms and conditions of the Plan are set out in this booklet.

## **ENQUIRIES**

Enquiries concerning the operation of the Plan may be made by telephoning the Bank’s Share Registry on 1300 556 161 or by writing to:

The Share Registrar  
Adelaide Bank Limited  
Computershare Investor Services Pty Limited  
Level 5/115 Grenfell Street  
Adelaide SA 5000  
or  
GPO Box 1903  
Adelaide SA 5001

## **SUMMARY OF THE PLAN**

### **What is the Plan?**

The Plan enables the Bank’s ordinary shareholders to reinvest all or part of their dividends in Shares rather than receive dividends in cash, without incurring transaction costs.

### **Who can participate in the Plan?**

Registered holders of ordinary shares in the Bank who have a registered address in Australia, and registered holders of ordinary shares in the Bank who have a registered address outside Australia but have otherwise satisfied the Directors that an issue or transfer of ordinary shares to them under the Plan is lawful and practicable (“Eligible Shareholders”), may participate in the Plan.

Shareholders with registered addresses in the United States are not eligible to participate in the Plan.

### **How much of my shareholding can participate in the Plan?**

Eligible Shareholders may participate in the Plan in respect of all or a specified number of their Shares. If an Eligible Shareholder participates in the Plan in respect of a specified number of Shares which is less than the shareholder’s total holding, dividends on non-participating Shares will be paid in cash in the normal way.

Eligible Shareholders may vary their participation in the Plan at any time by sending a Plan Notice to the Bank’s share registry. The notice will take effect on the next Record Date.

### **How do I join or change my participation in the Plan?**

Eligible Shareholders can initiate, vary or terminate their participation in the Plan by completing the enclosed Plan Notice and returning it to the Bank’s share registry. Additional Plan Notices can be obtained from the Bank’s share registry by calling 1300 556 161.

The Bank may in the future provide for Plan Notices to be completed and submitted online. If the Bank makes this

service available it will be noted on the Bank’s website and announced to the ASX.

A Plan Notice is effective from the next Record Date after it is received and processed by the Bank’s share registry.

### **How many Shares will I receive for each Dividend?**

Participants will receive the number of Shares calculated by dividing the net amount payable to the Participant (ie the Dividend amount) by the Issue Price for the Shares. The Issue Price is based on the daily volume-weighted average sale price per share during the Pricing Period less the Discount (if any).

The Bank reserves the right to change the level of the Discount at any time, or to determine that no Discount will apply.

If the number of Shares as calculated above is not a whole number, the number of Shares issued will be rounded down to the nearest whole number and the cash balance will be carried forward to the next Dividend.

Participants will receive a statement after each Dividend detailing their participation in the Plan, including how many Shares they have received.

### **Where are Plan Shares sourced from?**

The Bank may either issue new shares to the Participants or acquire shares on-market to be transferred to Participants. The level of any Discount and the number of Shares to which a Participant is entitled under the Plan will not be affected by the exercise of this discretion.

### **What is the status of Plan Shares?**

Shares acquired by Participants under the Plan will carry the same rights as all other Shares. Shares acquired under the Plan can be freely sold on the market just like other Shares.

If a Participant has elected to participate in the Plan for its entire holding, dividends on Shares acquired by that Participant under the Plan will also be reinvested. If a Participant has elected to participate in the Plan for a specific number of Shares, Shares sold by that Participant

will be treated as coming from the non-participating portion of the Participant's holding, if any, unless the Participant notifies the Bank's share registry otherwise.

### **Do I have to pay for brokerage or stamp duty?**

The costs of issuing or transferring Shares to Participants in the Plan will be borne by the Bank. This includes brokerage and other transaction costs, if any. Under present law, no stamp duty is payable by a Participant on receiving Shares under the Plan.

Brokerage and other transaction costs may be payable if a Participant wishes to sell Shares acquired under the Plan in the market.

### **What about tax?**

Dividends reinvested in Shares under the Plan will be treated by the Australian Tax Office in the same way as dividends received in cash. Any franking credits attached to dividends paid by the Bank should also be available to resident shareholders participating in the Plan.

Overseas residents are advised to make their own enquiries regarding their tax liability.

The Bank takes no responsibility for any taxation liabilities of participants and recommends that professional financial advice be obtained by participants.

### **More detail**

The full terms and conditions of the Plan are included in this booklet. Capitalised terms used in this summary have the meanings given to them in the terms and conditions. In the event of any conflict between this summary and the terms and conditions, the terms and conditions will prevail.

### **Modification and termination of the Plan**

The Plan may be varied, suspended or terminated by the Directors of the Bank at any time by giving participants written notice as provided in the Plan terms and conditions.

If the Plan is terminated or suspended for more than two consecutive dividends, or the Participant has ceased to

participate in the Plan, the Bank may donate any residual balance in the Participant's Plan Account (ie, any fractional amounts remaining in the participant's Plan Account after allocation of Shares) to one or more registered charities nominated by the Bank.

***This booklet is for information only and does not take account of your individual circumstances. For advice on whether participation in the Plan is right for you, contact your financial adviser.***

## **TERMS AND CONDITIONS OF THE PLAN**

### **1. Participation in the Plan**

- 1.1 Participation in the Adelaide Bank Limited Dividend Re-investment Plan ("the Plan") is optional and is open to all Eligible Shareholders subject to these Terms and Conditions.
- 1.2 Participation may, subject to any restriction in these Terms and Conditions, be varied or terminated by Participants at any time.

### **2. Application to Participate**

- 2.1 Application to participate in the Plan is to be made either:
  - (a) on the prescribed dividend reinvestment plan notice ("Plan Notice") and signed by the shareholder; or
  - (b) if Adelaide Bank elects at any time to provide an electronic facility, by lodging a notice of election electronically either through Adelaide Bank's website or that of an authorised third party provider. The availability (if any) of an electronic facility will be noted on Adelaide Bank's website and announced to ASX. Any notices so lodged must comply with the applicable terms and conditions of the facility.
- 2.2 In the case of a joint shareholding, each shareholder must sign the Plan Notice. If one or more of the joint shareholders is not an Eligible Shareholder, the shareholders may not apply for participation in respect of any of the Shares jointly held.
- 2.3 Subject to clause 2.5, the application to participate will take effect on the next Record Date following receipt and processing of the Plan Notice by Adelaide Bank (or its nominated agent) and will remain in force until varied or terminated in accordance with these Terms and Conditions.
- 2.4 A separate Plan Notice must be completed for each separate shareholding.

2.5 Adelaide Bank reserves the right to refuse an application to participate in the Plan, or to suspend or withdraw any Participant's Participating Shares from participation in the Plan, at any time in its absolute discretion. Any decision by Adelaide Bank to refuse an application or to suspend or withdraw a Participant's Participating Shares from participation in the Plan will be final.

### 3. Degree of Participation – Full or Partial Participation

3.1 Participation may be either full or partial.

(a) Full Participation will apply, if specified on the Plan Notice, to all cash dividends payable on the Participant's shareholding including:

- (i) any Shares held when Full Participation commences;
- (ii) any Shares subsequently issued to the Participant under the provisions of the Plan;
- (iii) bonus Shares subsequently issued to the Participant;
- (iv) any Shares subsequently allotted pursuant to a rights issue; and
- (v) other Shares subsequently acquired by the Participant, less Shares disposed of by the Participant since Full Participation commenced.

(b) Partial Participation

- (i) Partial Participation will apply, if specified on the Plan Notice, to all cash dividends payable on the number of Shares nominated by the Participant in the Plan Notice. The number of Participating Shares will not increase irrespective of whether the Participant subsequently acquires additional Shares (whether through the allotment/transfer of Shares under this Plan or otherwise) except where the Participant notifies Adelaide Bank in

accordance with clause 9 that it wishes to increase the number of Participating Shares.

- (ii) If the number of Shares held at a given Record Date for determination of dividend entitlements is less than the nominated number, the total number of Shares held at that date will be deemed to be Participating Shares.

### 4. Operation of the Plan

4.1 Subject to clause 4.2, each cash dividend payable to a Participant in respect of Participating Shares will either be applied on the Participant's behalf in subscribing for additional Shares in Adelaide Bank or used to acquire additional Shares, in accordance with these Terms and Conditions, to be transferred to the Participant.

4.2 Any portion of a dividend payable to a Participant:  
(a) which is deductible by Adelaide Bank as withholding tax; or  
(b) which Adelaide Bank is entitled to or required to withhold or deduct for any reason from the dividend payable to that Participant,  
will not be applied to acquire or subscribe for Shares under the Plan.

4.3 Adelaide Bank must pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law and must, if requested by any Participant, deliver to that Participant the relevant receipt issued by the revenue authority without delay after it is received by Adelaide Bank.

4.4 The Constitution of Adelaide Bank states that a person shall not own more than 10% of the voting shares (as that term is defined in the Constitution) of Adelaide Bank. The Constitution enables Directors to require a person believed by the Directors to contravene the shareholding restriction to dispose of such number of shares as

may be necessary to ensure the Constitution is not contravened. If a shareholder does not comply with the Directors' request for disposal of shares, the Directors have the power to sell such number of shares as the person is asked to dispose of.

4.5 The effect of the Constitution on the Plan is that a Participant's participation in the Plan will be limited to ensure that the entitlement that such Participant has following the allotment of Shares pursuant to the Plan does not exceed the prescribed maximum entitlement to issued Shares in Adelaide Bank.

4.6 Adelaide Bank will establish and maintain a Plan Account for each Participant.

4.7 For each dividend payable, Adelaide Bank will:  
(a) determine the amount of cash dividend payable to the Participant in respect of Participating Shares;  
(b) pay such amount (less any amount withheld under clause 4.2) into the Participant's Plan Account;  
(c) calculate the Issue Price of the Shares to be allotted under the Plan in accordance with these Terms and Conditions;  
(d) calculate the number of Shares based on the Issue Price which can be acquired by the amount in the Participant's Plan Account, rounded down to the nearest whole share; and  
either,

- (e) issue that number of Shares to the Participant; or
- (f) purchase that number of Shares and transfer those Shares to the Participant.

4.8 Adelaide Bank will retain the fractional amount remaining (if any) in the Plan Account until:

- (a) unless (b) applies, the payment date of the next dividend, when it will be aggregated with any further amounts credited to the Plan Account;
- (b) if the Participant has ceased to participate in the Plan, or the Plan has been terminated or

suspended for more than two consecutive dividends, the Participant will be taken to have directed Adelaide Bank to donate the amount remaining in the Plan Account on behalf of the Participant to one or more registered charities, as nominated by Adelaide Bank from time to time. Participants will not be issued with a receipt in respect of such a donation.

- 4.9 No interest will accrue to a Participant in respect of residual positive balances recorded in a Participant's Plan Account.

## **5. Allotment or transfer of Shares**

- 5.1 In the operation of the Plan for any Dividend Payment Date, Adelaide Bank may, at its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to Participants (or any combination of both options) to satisfy Adelaide Bank's obligations under these Terms and Conditions.

- 5.2 The Issue Price per share for a particular dividend is the Average Market Price, less such Discount, if any, as Adelaide Bank may determine, rounded down to the nearest cent.

- 5.3 The Discount may be varied (including reducing the Discount to zero) at Adelaide Bank's discretion. Any change to the Discount will be noted on Adelaide Bank's website and announced to ASX. Any such variation will not apply to dividends already announced.

- 5.4 If Adelaide Bank elects to cause the transfer of Shares to Participants, the Shares may be acquired in such manner as Adelaide Bank considers appropriate.

## **6. Allotment under the Plan**

Shares allotted under the Plan will rank equally in all respects with all other Shares. Allotments of Shares issued under the Plan will take effect from the day that the cash dividend is paid on non-participating shares.

## **7. Cost to Participants**

No brokerage, commission or other transaction costs will be payable by a Participant on Shares allotted under the Plan and under present law no stamp duty or other duties will be payable by a Participant on the issue of these Shares.

## **8. Information to Participants**

- 8.1 Dividend advices received by Participants will provide the following information:

- (a) The number of the Participant's Participating Shares at the relevant Record Date;
- (b) The dissection of the cash dividend into the number and value of Shares allotted or transferred pursuant to the Plan and the remaining amount credited to the Plan Account;
- (c) If applicable, the amount of withholding tax or other amount under clause 4.2 which has been deducted from the dividend payment on the Participant's Participating Shares;
- (d) Any other matters required by law to be included in a statement confirming a transaction, or which the Board determines otherwise should be included.

## **9. Variation or Termination of Participation**

- 9.1 A Participant may at any time give notice on the prescribed Plan Notice to Adelaide Bank:

- (a) Varying participation in the Plan by increasing or decreasing the number of Participating Shares; or
- (b) Terminating participation in the Plan.

- 9.2 A Participant will be deemed to have terminated its participation in the Plan on the Participant ceasing to be an Eligible Shareholder.

- 9.3 The notice of alteration or termination shall take effect on the next Record Date following receipt and processing of the Plan Notice by Adelaide Bank (or its nominated agent).

## **10. Reduction or Termination where No Notice given**

- 10.1 Where a partial Participant disposes of part of its holding, unless the Participant advises Adelaide Bank otherwise, the Shares disposed of will be deemed to be non-participating shares. If the number of Shares disposed of exceeds the number of non-participating shares, the number of Participating Shares thereafter will be deemed to be the total shareholding remaining.

- 10.2 Where a Participant disposes of all its Shares without giving notice of termination of participation in the Plan, its participation will be deemed to have ceased and a new Plan Notice will be required for participation if further Shares are purchased in the future.

## **11. Suspension, Modification and Termination of the Plan**

- 11.1 The Plan may be suspended (and recommenced), modified or terminated by the Board at any time. Adelaide Bank will give notice of any:

- (a) termination of the Plan to Participants at least two months before the effective date of termination;
- (b) modification of the Plan or Terms and Conditions (other than simply an exercise of a discretion, authority or power under these Terms and Conditions) to Eligible Shareholders at least two months before the effective date of the variation;
- (c) suspension or reinstatement of the Plan to Participants as soon as reasonably practical before or after the effective date of suspension or recommencement.

- 11.2 The accidental omission to give notice of suspension, modification or termination or the non-receipt of any notice by any shareholders shall not invalidate the said suspension, modification or termination of the Plan.

- 11.3 If the Plan is modified, existing Participants will continue under the modified Plan in accordance with the last Plan Notice lodged unless and until Adelaide Bank (or its nominated agent) receives and processes a Plan Notice varying or cancelling the Participant's participation in the Plan.
- 11.4 If the Plan is suspended for no more than two dividends, the Participant's previously suspended Plan Notice will be reinstated and will be valid and effective in accordance with these Terms and Conditions for the purposes of the recommenced Plan, unless determined otherwise by Adelaide Bank and notified to Participants.
- 11.5 If the Plan is suspended for more than two consecutive dividends, any previous election to participate will be disregarded and all shareholders wishing to participate in the Plan if it is reactivated for future dividends will be required to complete a new Plan Notice at such time.
- 11.6 Adelaide Bank will announce the Pricing Period and any Discount applicable to the Plan for any dividends payable on a particular Dividend Payment Date at or around the same time it announces the dividend.

## 12. Plan subject to Legislation

The Board may at any time modify the Plan to ensure compliance with such legislation, by-law, standard or other lawful requirement or obligation to which Adelaide Bank is for the time being subject or to which the Board determines it should be subject.

## 13. Stock Exchange Listing

Application will be made by Adelaide Bank for Shares allotted under the Plan to be listed for quotation on the Official List of ASX.

## 14. Significance of applying

- 14.1 By applying to participate in the Plan in accordance with clause 2, an applicant agrees to be bound by these Terms and Conditions and:

- (a) warrants to Adelaide Bank that it is an Eligible Shareholder;
  - (b) authorises Adelaide Bank (and its officers or agents) to correct any error in, or omission from, its Plan Notice;
  - (c) acknowledges that Adelaide Bank may at any time irrevocably determine that the applicant's Plan Notice is valid, in accordance with these Terms and Conditions, even if the Plan Notice is incomplete, contains errors or is otherwise defective; and
  - (d) acknowledges that Adelaide Bank may arrange for the Plan to be fully or partially underwritten, and in respect of any one or more dividend payment dates,
- in each case, at all times until termination of the Plan or of the Participant's participation in the Plan.

## 15. Interpretation

- 15.1 In these Terms and Conditions, unless the contrary intention appears:
- (a) a reference to a clause is a reference to a clause in these Terms and Conditions;
  - (b) a reference to this Plan or these Terms and Conditions includes any variation or replacement of them;
  - (c) law means common law, principles of equity, and laws made by an Australian 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);
  - (d) the singular includes the plural and vice versa;
  - (e) the word person includes a firm, a body corporate, an unincorporated association or an authority;
  - (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not

limited to, persons taking by novation) and assigns; and

- (g) headings are inserted for convenience and do not affect the interpretation of the Terms and Conditions.
- (h) This Plan will be administered by the Board and the Board may exercise all powers and discretions set out in these Terms and Conditions unless otherwise specifically stated.

## GLOSSARY

In this Plan, the following words and expressions have the meanings indicated unless the contrary intention appears.

**Adelaide Bank** means Adelaide Bank Limited (ABN 54 061 461 550)

**ASX** means Australian Stock Exchange Limited.

**Average Market Price** means the average of the daily volume-weighted average sale price per Share of Shares sold on ASX during the Pricing Period other than Shares which are sold otherwise than in the ordinary course of trading on ASX (including any transaction defined in ASX Business Rules as "special", crossing prior to the commencement of normal trading, crossing during the closing phase and the after-hours adjust phase and any overseas trades or trades pursuant to the exercise of options over Shares, any overnight crossings and any other sales which the Directors consider may not be fairly reflective of natural supply and demand).

**Board** means the board of directors of Adelaide Bank from time to time.

**Constitution** means the constitution of Adelaide Bank as amended from time to time.

**Discount** means the discount to be applied for the Issue Price for the purposes of calculating the number of shares to be allotted or transferred to Participants as determined by the Board in accordance with clause 5.3.

**Dividend Payment Date** means the date for the payment of any dividend.

**Eligible Shareholder** means:

- (a) any registered holder at the relevant Record Date having an address in Australia, unless that person holds Shares on behalf of another person who resides outside Australia and who would not, if named in the register, be an Eligible Shareholder under (b) below;
- (b) any registered holder at the relevant Record Date that has satisfied the Directors that:
  - (i) the offer and issue or transfer of Shares under the Plan is lawful and practicable in the jurisdiction in which they reside; and
  - (ii) that person does not hold Shares on behalf of another person who resides outside that jurisdiction and who would not, if named on the register, be an Eligible Shareholder,

provided that “Eligible Shareholder” does not:

- (c) include any “U.S. person” (as defined in Regulation S under the U.S. Securities Act of 1933); or
- (d) the estate of any deceased person where Adelaide Bank has been notified of the estate.

**Full Participation** has the meaning given in clause 3.1(a).

**Issue Price** has the meaning given in clause 5.2.

**Partial Participation** has the meaning given in clause 3.1(b).

**Participating Shares** means any Shares that have been accepted for participation in the Plan in accordance with these Terms and Conditions.

**Plan Account** has the meaning given in clause 4.6 and 4.7.

**Plan Notice** has the meaning given in clause 2.1(a).

**Pricing Period** means the period over which Adelaide Bank will determine the Average Market Price.

**Record Date** means the record date for the payment of a dividend as announced by Adelaide Bank for their dividend.

**Shares** means ordinary shares in the capital of Adelaide Bank Limited.

