

ALL ENQUIRIES

regarding the Auswide Bank Ltd Dividend Reinvestment Plan, its operation and participation therein – including applications, SHOULD BE DIRECTED TO THE COMPANY'S SHARE REGISTRY

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HIGHLIGHTS of the Plan

The Auswide Bank Ltd (the Company) DIVIDEND REINVESTMENT PLAN (the Plan) is a convenient way to increase your shareholding by reinvesting your dividend in additional shares.

- On each dividend payment date, the dividend on Participating shares is automatically reinvested in new shares.
- Shares issued under the Plan will be issued at a maximum of a 10% (ten percent) discount on the weighted average sale price of the Company's shares sold during the five trading days immediately following the Record Date (or if there has been no trading during this time at the average price calculated on the last 5 sales).
- The new shares are allotted free of brokerage, commission and stamp duty costs.
- The Company pays the administrative costs of the Plan.
- Shares allotted under the Plan rank equally in all respects with existing shares.
- Participation in the Plan is optional. You may join or leave the Plan at any time.
- A Plan Statement providing details of your Participation is sent to you after each dividend payment.
- Where the number of shares to be allotted to a Participant under the Plan is less than ten (10) shares, no shares will be issued and a cash dividend will be paid on the Participating shares.

OPERATION of the Plan

Eligibility to Participate

All shareholders in the Company as are approved by the Board from time to time are eligible to Participate in the Plan.

Participating in the Plan

Participating in the Plan is entirely at your option.

Before deciding on whether to Participate in the Plan, you should consider the Company's latest financial statements and if necessary consult your financial adviser.

Shareholder Choices under the Plan

The choices are -

- Full Participation – The dividend on all fully paid shares or contributing shares held by you is reinvested in new shares; or
- Partial Participation – The dividend on a specified number of shares (Participating shares) is reinvested in new shares. The dividend on the remaining (non-Participating) shares will be paid as a cash dividend to you.

How to Participate in the Plan

The Application Form must be completed and lodged with the Company's Share Registry if you wish to Participate in the Plan. If you do not wish to Participate in the Plan, you are not required to return the Application Form, and cash dividends will automatically be credited to your nominated bank account or paid by cheque.

Withdrawal from the Plan/ Variation of Participation

You may withdraw from the Plan or vary your level of Participation in the Plan at any time. To vary your level of Participation, complete another Application Form. To withdraw from the Plan you are required to advise the Company's Share Registrar in writing. This notice will be effective for the next dividend payment, subject to this notice being received before the next Record Date.

Ranking for Dividend

Shares issued under the Plan will rank equally in every respect with existing issued fully paid permanent ordinary shares and will Participate in all cash dividends declared after the date of issue.

Issue Price of the New Shares

The shares issued under the Plan will be issued at a maximum of a 10% (ten percent) discount on the weighted average sale price of the Company's shares sold during the five trading days immediately following the Record Date (or if there has been no trading during this time at the average price calculated on the last 5 sales), unless this would result in the allotment price being less than par in which case shares will be issued at par. Shares will be issued as fully paid. Where the dividend reinvested does not equal the Issue Price of a share issued under the Plan or a multiple thereof the Company will round down the entitlement to the nearest whole number of shares. The residual balance will be retained in the shareholder's Plan Account and will be used in calculating entitlements to future shares issued under the DRP. Upon termination of Participation in the Plan or disposal of Participating Shares any residual will be forfeited and debited from the shareholder's Plan Account. Where the number of shares which would otherwise be issued to a Participant under the Plan is less than (10) shares, no shares will be issued and a cash dividend will be paid on the Participating shares on the same basis that would have applied if they did not Participate in the Plan.

Cost of Participating in the Plan

There is no cost to you to Participate in the Plan. No brokerage, commission or stamp duty (under existing legislation) will be payable by you on shares issued under the Plan. The Company will meet the administrative costs of the Plan.

Sales of Shares

Shares allotted under the Plan may be sold or transferred at any time.

Shares Participating in the Plan which are sold or transferred will be withdrawn from the Plan automatically.

Any subsequent purchaser of Company shares is entitled to Participate in the Plan by completing and returning an Application Form.

Acquisition of Shares

Any additional shares acquired by you will Participate in the Plan as follows -

- a) If you elect full Participation, all subsequent acquisitions of shares will Participate in the Plan; and
- b) If you elect partial Participation, bonus issues and shares issued in relation to your shares Participating in the Plan will automatically be included in the Plan. Cash dividends will be paid in respect of all other acquisitions. Another Application Form or advice in writing must be received by the Company's Share Registry before any other shares acquired by you can Participate in the Plan.

Taxation Considerations

Under current Australian income tax legislation, it is the Company's understanding that dividends reinvested will be treated in the same manner as if you had received those dividends in cash. Credits will be available in respect of franked amounts (if any). The Plan Statement issued following the payment of each dividend will show the amount of the dividend and any credit. Plan Statements should be retained as a record. If you intend to Participate in the Plan and have not lodged your Tax File Number (TFN) with the Company's Share Registry in the event that an unfranked dividend is paid by the Company, Australian Income Tax will be deducted from the dividend on your Participating shares before your entitlement to new shares is calculated. The Company cannot take any responsibility for the taxation liabilities of Participants and it is suggested that you obtain independent advice concerning your taxation position if you have any queries.

TERMS AND CONDITIONS of the Plan

1 Participation in the Plan

- 1.1 Participation in the Company Dividend Reinvestment Plan is subject to these Terms and Conditions.
- 1.2 Participation in the Plan is optional.
- 1.3 The Plan is open to Shareholders holding Shares in the Company.
- 1.4 The Board may refuse to accept Shares for Participation in the Plan or suspend or withdraw Shares for the Plan if the Participation of those shares might -

- a) prejudice effective operation of the Plan; or
- b) give rise to breaches of applicable laws by the Company or its officers or by the Participants or their associates.

2 Definitions and Interpretations

- 2.1 When used in these Terms and Conditions, the words listed will, except the extent that the context otherwise requires, have the following meaning; Board means the Board of Directors of the Company; Company means Auswide Bank Ltd; Issue Price means the price at which new shares will be allotted in accordance with the formula outlined in Clause 5.2; Participation means a Shareholder whose Application to Participate in the Plan has been accepted by the Company; Plan means the Company Dividend Reinvestment Plan; Plan Account means the Plan Account established and maintained for each Participant in accordance with the Terms and Conditions; Plan Statement means a Plan Statement which complies with Clause 10; Record Date means a date on which the Company closes its Share Register for the purposes of determining entitlements to the payment of a dividend; Registered Address means the address of a Shareholder as shown in the Share Register; Rules means rules of the Plan; Share means a fully paid permanent ordinary share; Share Register means the register of all Shareholders; Shareholder means the holder of fully paid permanent ordinary shares;
- 2.2 Words importing the singular include the plural and vice versa; words importing any gender include other genders; 'person' includes a corporation.

3 Application to Participate

- 3.1 A Shareholder may apply to the Company to Participate by completing and signing an Application Form.
- 3.2 Where a Shareholder has more than one allocated shareholding on the Register, the Shareholder must complete an Application Form for each separate shareholding.
- 3.3 An Application to Participate in the Plan by joint holders of Shares must be signed by all Shareholders.

4 Degree of Participation

- 4.1 Participation in the Plan may be full or partial.
- 4.2 In the case of full Participation, all Shares registered in the Participant's name from time to time, including Shares issued under the Plan, Bonus Shares, Shares allotted to the Participant pursuant to a rights issue and subsequent Share Purchases will Participate in the Plan.
- 4.3 In the case of partial Participation only the number of Shares specified by the Participant in the Application Form or in any subsequent notice under Clause 8 together with bonus issues and Shares issued in relation to Shares Participating in the Plan, will be subject to the Plan.
- 4.4 A Shareholder must specify on the Application Form the degree of Participation by either -
 - a) placing a tick in the box marked full Participation; or
 - b) specifying the number of Shares to Participate in the Plan.
- 4.5 If an Application Form received does not indicate the degree of Participation it shall be deemed to be an Application for full Participation.
- 4.6 Where the number of Shares registered in the name of a Participant at the Record Date is less than the number of shares specified by the Participant, all those Shares registered in the name of the Participant will be subject to the Plan.

5 Operation of the Plan

- 5.1 A Shareholder who elects to Participate in the Plan shall be deemed to have -
 - a) directed the Company to apply the cash dividend that is available for payment in relation to the Shareholder's Participating Shares (less withholding tax if applicable) towards the Issue Price;
 - b) authorised the Company to subscribe for Shares on the Shareholder's behalf; and
 - c) agreed to be bound by the Rules in respect of all the Shares allotted to the Shareholder under the Plan.
- 5.2 Shares will be allotted at a maximum discount of ten percent (10%) from the weighted average sale price of all Shares in the Company during the 5 trading days immediately following the last Record Date, (if there has not been any trading during this time at the average price of the last 5 sales) or at the par value of the Shares to be issued whichever is the greater ('Issue Price').
- 5.3 A Plan Account will be established and maintained for each Participant.
- 5.4 The Company will - determine the amount of the dividend entitlement of the
 - a) Participant in respect of the Participating Shares, and credit that amount or the amount of any limit placed on reinvestment by the Board in accordance with Clause 12.1 whichever is the lesser to the Shareholder's Plan Account;
 - b) determine the Australian Income Tax applicable in respect of any unfranked dividend declared by the Company to a Participant who has not supplied a Tax File Number (TFN) to the Share Registrar and debit that amount to the Shareholder's Plan Account;
 - c) determine (where applicable) the Australian withholding Tax in respect of the dividend and debit that amount to the Shareholder's Plan Account;
 - d) determine the maximum whole number of Shares which could be acquired at the Issue Price by applying the credit amount in the Participant's Plan Account, and where the number so ascertained results in a fraction the number shall be rounded down to the nearest whole number;
 - e) on behalf of and in the name of the Participant, subscribe for that number of

additional Shares and debit the Participant's Plan Account with the aggregate Issue Price of the Shares subscribed for; and

- f) allot that number of Shares to the Participant.
- 5.5 Where the number of Shares which would otherwise be issued to a Participant under the Plan is less than 10, no shares will be issued and a dividend will be paid on Participating Shares on the same basis that would have applied if they did not Participate in the Plan.
- 5.6 Shares allotted under the Plan will be allotted at the Issue Price and credited as fully paid.
- 5.7 Any excess of the Issue Price over the par value of a Share allotted under this Plan shall be deemed to be a premium paid on such allotment.

6 Allotments under the Plan

- 6.1 Shares allotted under the Plan will rank equally in all respects with existing Shares in the Company.
- 6.2 Shares allotted to a Participant under the Plan will be registered on the Share Register.

7 Cost to Participant

- 7.1 Subject to Clause 7.2 no brokerage, commission or other transaction costs will be payable by a Participant in respect of Shares allotted under the Plan.
- 7.2 In the event of a change in the existing legislation so that at the date of any allotment stamp duty is payable in Queensland in respect of the allotment, the amount of such stamp duty shall be paid by the Participant to whom the Shares are allotted and will be debited to the Participant's Plan Account.
- 7.3 The Company will pay all the administrative costs of the Plan.

8 Variation and Termination of Participation

A Participant may at any time give notice to the Company's Share Registry either -

- a) increasing or decreasing the number of Participating Shares; or
- b) terminating Participation in the Plan.

9 Alteration or Termination of Participation Where No Notice is Given

- 9.1 Where a Participant disposes of part of their holding of Shares and does not give notice otherwise then -
 - a) if the number of Shares disposed of is less than the number of the Participant's non-participating Shares then the numbers of Shares disposed of will be deemed to be non-participating Shares; and
 - b) if the number of Shares disposed of is greater than the number of the Participant's non-participating Shares then the Shares disposed of will be deemed to be all of the non-participating Shares plus any additional number of Participating Shares as may be necessary to aggregate the total number of Shares disposed of.
- 9.2 Where a Participant disposes of all Shares held without giving the Company notice of termination of Participation in the Plan, the Participant will be deemed to have given notice to terminate Participation in the Plan on the last date on which the Company's Share Registry registered a transfer or instrument of disposal of the Shares.

10 Plan Statement

- 10.1 Dividend advices will be sent to each Participant including a Plan Statement providing, at the relevant date, full details of the Participant's Plan Account and transactions pursuant to the Plan.

11 Applications and Notices

- 11.1 Applications and notices for the purposes of the Plan shall be in writing in such form and lodged at such place as the Company may from time to time require.
- 11.2 Applications and notices (other than notices of death, bankruptcy or liquidation) in respect of Shares registered in joint names shall be signed by all registered holders of those Shares.
- 11.3 Applications and notices will take effect on and from the date on which they are received provided that -
 - a) an Application to Participate in the Plan is not effective until it has been accepted by the Company; and
 - b) Applications and notices received by the Share Registrar after 5.00pm on a Record Date for determination of entitlements to payment of a dividend will not be effective in relation to that dividend, but will be effective for subsequent dividends.

12 Board's Powers in Relation to the Modification or Termination of the Plan

- 12.1 The Board may from time to time set a limit on the aggregate amount of dividend which may be reinvested by Shareholders under the Plan and may vary that limit.
- 12.2 The Board may determine administrative procedures to be followed in respect of the implementation of the Plan and may vary those procedures.
- 12.3 The Board may -
 - a) at any time modify, vary or amend the Plan
 - b) suspend the operation of the Plan from time to time for any period;
 - c) terminate the Plan after first giving 3 months notice to Shareholders.

The Termination of the Plan shall take effect at the expiration of that period of 3 months.

- 12.4 The accidental omission to give to an individual Shareholder notice of modification, variation, amendment, suspension or termination of the Plan, or non-receipt of such a notice by a Shareholder shall not invalidate the modification, amendment, variation, suspension or termination of the Plan.

13 Taxation

- 13.1 The Company makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Participants to the payment of income tax in respect of any allotment, payment or other transaction pursuant to this Plan.