

2005 Annual Report – Supplementary Notice

Following the recent successful listing of Bendigo Community Telco on the Bendigo Stock Exchange the requirements for our Annual Report have changed and additional information is to be provided to our shareholders.

The Chairman and Chief Executive Officers' reports, along with the 2004/05 Financial Statements which have been provided to shareholders contains the majority of this information, however the following is provided to complete the 2005 Annual Report. All three documents are to be read and included as part of the 2005 Annual Report. Copies of these documents can be found on the Bendigo Community Telco website at www.bendigotelco.com.au or the Bendigo Stock Exchange website www.bsx.com.au. The date at which the information in this notice is current is 15 November 2005.

CORPORATE GOVERNANCE

The Directors are responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals, and monitoring of the business and affairs of the Company on behalf of its members.

The Company is cognisant of the ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations'. The Board will review its corporate governance practices as it evolves and a further consideration of the application of these principles as appropriate.

Committee Structure

The Company has a Committee Structure consisting of a Strategy & Planning Committee of which all Directors are members, a Remuneration Committee and the Finance, Budget & Risk Committee which includes the function of audit committee of which Mr Erskine and Mr Michell are members.

Composition of the Board

The Constitution provides for a minimum of 3 and maximum of 12 directors. The Board currently consists of 6 non-executive directors (7 during 2004/05). The CEO is not a member of the Board and the roles of Chairman and CEO are separated.

Taking into account the interests of each Director and their relationships, and having regard to the guidance on independence in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations, together with materiality thresholds set by the Board, the Board has assessed the independence of each Director.

The Board has assessed each of Professor Kilmartin, Mr Michell, Mr Bastian and Ms Byrne as independent. On this basis, the Board is composed of a majority of independent directors.

Having regard to the personal substantial shareholdings of each of Mr Hunt and Mr Erskine in the Company, their roles with Bendigo Bank (and its related bodies corporate) and the relationship between Bendigo Bank (and its related bodies corporate) and the Company, the Board has assessed each of Mr Hunt and Mr Erskine as not independent. Having regard to the previous executive role of Mr Cairns with the Company, his role with Bendigo Bank (and its related bodies corporate) and the relationship

between Bendigo Bank (and its related bodies corporate) and the Company, the Board has assessed Mr Cairns as not independent.

In relation to the Directors assessed as not independent, each of those Directors is of the view that in the capacity as a Director of the Company, he is able to act in the best interests of the Company.

In addition, the Constitution contains provisions which reinforce the duty of each Director to act in the interests of the Company. For example, a Director with a conflict of interest in relation to a particular item of business must not vote on the matter or be present while the matter is being considered at any Directors' meeting. Further, a Director who has a material personal interest in a matter that relates to the affairs of the Company must give the other Directors notice of the interest in accordance with the Act.

The Board is of the view that the composition of the Board, including the Chairman being a non-executive director, but not independent, is appropriate for the Company at this stage of its development. Bendigo Community Telco is a uniquely positioned company that operates within a small regional community and relies on the support of the community for its continued viability and development. The composition of the Board reflects this position and a strength of the Board is that its members are representative of the original consortium of key stakeholder and customers within the Bendigo community. It includes Directors who work for or own significant local institutions or companies that are also key customers of the Company. This composition has been strategically constructed to provide the Company with:

- (i) a good understanding of the issues and needs within the community in which it operates;
- (ii) a firm connection and understanding of the Company's major customer base; and
- (iii) a network to assist the Company in building its local customer base.

SUBSTANTIAL SHAREHOLDERS

The following shareholdings in excess of 5% are deemed to be substantial shareholders.

Shareholder	No. of Shares	% of Total Shares
Bendigo Bank Ltd	1,100,146	19.7
Erskine Investments P/L	844,000	15.1
Robert George Hunt	421,004	7.5
Ron Poyser Administrators P/L	372,000	6.7

NUMBER OF SHAREHOLDERS

The total number of shares on issue is 5,585,010 with all shares classed as Ordinary Shares. The number of shareholders is 378.

VOTING RIGHTS

Voting Rights apply to Ordinary Shares being the only form of shares on issue.

Attending the Meeting

All shareholders may attend the Annual General Meeting.

In the case of joint shareholders, all holders may attend the meeting. If only one holder attends the meeting, that shareholder may vote at the meeting in respect of the relevant shares (including by proxy) as if that holder were solely entitled to them. If more than one joint holder is present (including by proxy), the joint holder whose name appears first in the register in respect of the relevant shares is entitled to vote in respect of them.

A corporate shareholder may appoint one or more persons to act as its representative under section 250D of the Corporations Act 2001 (Cth) (the Corporations Act), but only one representative may exercise the corporate shareholder's powers at any one time. The company requires written evidence of a representative's appointment to be lodged with or presented to the Company before the meeting.

Not attending the Meeting

Shareholders entitled to vote at the meeting, but not attending are encouraged to appoint a proxy to vote on their behalf, using the enclosed Proxy Form. The person appointed as the member's proxy may be an individual or a body corporate. A proxy need not be a member of the Company.

A shareholder who is entitled to cast two or more votes at the meeting may appoint two proxies and specify on the Proxy Form the proportion or number of votes each proxy is appointed to exercise.

For an appointment of a proxy for the meeting of the company's members to be effective, the following documents must be received by the company at least 48 hours before the meeting.

The proxy's appointment

If the appointment is signed by the appointer's attorney the authority under which the appointment was signed or a certified copy of the authority.

The company receives the proxy documents when they are received at any of the following:

1. The company's registered office at Level 2 Fountain Court, Bendigo, Vic, 3550.
2. The fax number (03) 5454 1537

DISTRIBUTION SCHEDULE

At the date of this document the distribution schedule is as per the table below:

Category	No. of Holders
1-1,000	88
1,001 – 5,000	184
5,001 – 10,000	60
10,001 – 100,000	41
100,001 and over	5

MARKETABLE PARCEL

All shareholding parcels held at the date of this document are deemed to be marketable.

TOP 10 SHAREHOLDERS

At the date of this document the Top 10 Shareholders are as per the table below:

Shareholder	No. of Shares	% of Total Shares
Bendigo Bank Ltd	1,100,146	19.7
Erskine Investments P/L	844,000	15.1
Robert George Hunt	421,004	7.5
Ron Poyser Administrators P/L	372,000	6.7
Community Telco Syndicate	106,000	1.9
Bendigo Senior Secondary College	100,000	1.8
W J & R Administration Pty Ltd <Rogers & Every Partners Super Fund A/C>	100,000	1.8
MGR Property P/L	90,000	1.6
Bendigo Regional Institute of TAFE	86,000	1.5
LaTrobe University	84,000	1.5
TOTAL	3,303,150	59.1

COMPANY SECRETARY

The Company Secretary is David Oatway B.Bus. ACA.

REGISTERED OFFICE & SECURITIES REGISTER

The Registered Office of the Company is located at Level 2, Fountain Court, Bendigo, Victoria, 3550 and its Principal Administrative Office is located at 5 View Point, Bendigo, Victoria, 3550. Telephone: 03 5454 5000.

The Securities Register for the Company is held at AFS, PO Box 454, Bendigo, Victoria, 3552. Telephone: 03 5443 0344.