



Minutes for the Annual General Meeting of Members of

Unity Bank Limited ABN 11 087 650 315 AFSL/Australian Credit Licence 240399

held at the MUA Training Rooms, 365 Sussex St Sydney
at 3.00pm on Wednesday 20 November 2023.

Attendance

There were 40 members present. A further 35 members listened into the livestream but were not included in the quorum.

Welcome

The Chair Mr Mick Doleman presided and declared the meeting open at 3pm. He welcomed the members present along with special guests, Rosanna Argall, Claire Scott, Nicolas Sanders, Sharleen Tran, Mike Lawrence, Don Nora and Neil Swanson. MUA staff were also thanked for their technical support allowing for the livestream of today's meeting.

The Unity Bank Directors were introduced noting that all were very experienced executives with diverse additional roles and responsibilities.

CEO Danny Pavisic was introduced noting that he was attending via Zoom video link due to illness.

Apologies were noted from Paddy Crumlin, Jim Donovan, Dave Taylor, Craig Kennedy, Vasyi Nair, Tony Maher and Felicity King.

The apologies were received and accepted.

Previous Minutes

The Chair advised the meeting that the Board has previously adopted the Minutes of the 2022 AGM and invited questions from members.

There were no questions.

Chair's Address & Director's Report

The Chair, on behalf of the Board of Directors, presented the Directors' Report to the Meeting advising that the past 12 months has been one of change and challenge with the re-emergence of inflation and multiple interest rate increases which have taken a toll on our members and the broader community. Pleasingly during the past few years many members built up substantial savings buffers which have insulated them from hardship so we have only seen a handful of members requiring hardship assistance to date. As always we remain ready to assist all members to get through the current tough economic environment.

Last year I spoke about the challenges facing young people, single parents and others trying to break into the home ownership market. We have made great strides in our quest to become the go-to Bank for these groups through our participation in various Federal and State Government

housing schemes in addition to our own programs. Of particular note Unity Bank was very proud to be selected as a participating lender in NSW's Shared Equity Home Buyer Helper following a gruelling application process.

The past year has also seen record re-investment into the business with an enhanced banking app, digital loan processing enhancements as well as increasing our cyber scam awareness and education programs.

The pace of regulatory change remains unrelenting and the Board has taken a long-term view that additional scale is vital to ensure your Bank is sustainable well into the future. We have identified G&C Mutual Bank as a suitable merger partner as we have a shared strategic vision and philosophy around always putting the interests of members first. The proposed merger is a merger of equals and will create one of Australia's larger nationally operating mutual banks with projected assets of around \$4 billion, a network of 28 branches and a full suite of digital services. Further information will be provided in mid 2024 and we will ask for your support at next year's AGM.

I would like to call out the MUA, the Mining and Energy Union, the ETU, the Victorian Trades Hall Council and the manufacturing division of the CFMEU for their ongoing support and assistance along with our 2 key superannuation funds – Host Plus and Mine Super and our relationships with the AMIEU, the CEPU and the AMWU. These are all strong associations with mutual benefits that are so extremely important to our ongoing success.

During the year our staff including senior executives, those assisting our members directly in branches and over the phone as well as staff that perform other roles all helped us define and express our Values as outlined in the Annual Report. Our Values are what we stand for and define the way we deliver better outcomes for our members. We are guided by them in everything we do and every decision we make. Thank you and I know from feedback, that our members really appreciate and see the difference you make.

The pressure on directors is higher now than ever before with strict training and skill requirements, regulatory responsibility and workload increasing all the time. Complying with all these requirements is onerous and we have been utilising the services of Bob Manning to oversee our governance compliance including conducting an annual independent assessment of our directors and the Board as a whole. Bob has recently announced his retirement and we wish to sincerely thank him for his years of service with Unity Bank and as well as the broader mutual community.

Chief Executive Officer's Address, Financial Statements & Auditors Report

CEO, Mr Danny Pavisic, addressed the AGM noting that it had been a very busy year for the Bank in a whole range of areas that will set us up well into the future. The rapid interest rate increases combined with the increases in the cost of living pressures has seen many members starting to dig into their savings buffers with some in financial stress. We, as always, exist to help our members through the tough times. ASIC recently distributed guidance to all financial institutions on best hardship practices which we reviewed and, of no surprise to us, we noted that we already meet or exceed every one of their recommendations.

We had a record surplus last year with approximately half of which will go into IT systems including additional cyber security to protect our members and to provide better fraud protection services as well as member education on the latest scams and how to avoid them.

Last year our lending grew three times as much as the industry average which is a demonstration of the support we receive from our key partners and communities we operate in. In order to be able to not have to turn members wanting new loans away we raised external capital in the market. We raised \$28.5m and we are the third mutual in Australia to do so which was a significant boost to our capital base.

We are implementing a range of resources to monitor and identify vulnerable members across our membership including the elderly, those with English as a second language and indigenous Australians.

We saw a record number of loans last year reaching the milestone of \$1.7b in assets and over the last few weeks we have now reached \$1.8b.

The merger with G&C is a strategic decision to preserve the future of our organisation by joining together with another mutual of identical size, metrics and ethos of putting members first. The merger will catapult us up the rankings so that we become the 10th or 11th largest mutual in Australia. The Board came to the view that we needed to significantly grow in order to be able to continue to provide the level of service and support that our members require in this ever more complex and regulatory heavy environment. The larger merged entity will be better resourced with approximately 28 branches, 250 staff and easier access to capital all of which will be great for staff, members and our partners alike.

Auditor's Address

Claire Scott, from our External Auditors Grant Thornton, presented the 2022/23 Financial Statement and Audit Report, advising that the audit was conducted in accordance with the Australian Auditing Standards with key focus around the loan book, member deposits and credit loss provisions. It is an unqualified audit opinion and is a true and fair view of the Bank's financial position. Claire thanked Unity Bank and its management and Board for their ongoing assistance throughout the year.

It was unanimously RESOLVED to adopt the Financial Statements and Auditors Report for the 2022/2023 Financial Year.

Item 3a Re-appointment of Director – Mick Doleman

Given that this resolution related to Mick Doleman's own re-appointment he handed the meeting over to Mark Watson the Chair of the UB Board Audit Committee. Mark Watson noted that the item to consider, and if thought fit to pass, is that Mick Doleman be re-appointed as Director until the end of the 2026 AGM. The resolution was moved by Director Sharon Sewell and seconded by Director Grahame Kelly.

	<i>Proxies</i>	<i>Meeting</i>	<i>Total</i>
For	113	18	131
Against	4	0	4
Abstain	0	0	0
Chair Discretion	22		22
Total	139	18	157

%		
Total For	153	97.5
Total Against	4	2.5
Total	157	100

The motion was carried and Mark Watson passed the meeting back to the Chair Mick Doleman.

Item 3b Re-appointment of Director – Garry Keane

Mick Doleman noted that the item to consider, and if thought fit to pass, is that Garry Keane be re-appointed as Director until the end of the 2026 AGM. The resolution was moved by Director Grahame Kelly and seconded by Director Darren Gosling.

	<i>Proxies</i>	<i>Meeting</i>	<i>Total</i>
For	111	18	129
Against	4	0	4
Abstain	1	0	1
Chair Discretion	23		23
Total	139	18	157

%		
Total For	152	97.4
Total Against	4	2.6
Total	156	100

The motion was carried.

Item 4 Director Remuneration

Mick Doleman advised that the next item related to the resolution to increase the director remuneration pool from \$450,000 to \$700,000 for the year ending 30 June 2024 with an auto CPI increase for subsequent years. This increase in the director remuneration pool takes into consideration the regulatory demands, workload and skills required of a director in today's environment and also better aligns Unity Bank with mutual banking sector benchmark director salaries. He advised that each year the Bank utilises the McGuirk Mutual Financial Board Remuneration Survey to analyse director remuneration trends and to compare Unity Bank against other similarly sized mutuals and that left unadjusted our director fees would be

substantially falling even further behind market rates. The resolution was moved by Director Darren Gossling and seconded by Director Mark Watson.

	Proxies	Meeting	Total
For	99	18	117
Against	12	0	12
Abstain	3	0	3
Chair Discretion	25		25
Total	139	18	157

%

Total For	142	92.2
Total Against	12	7.8
Total	154	100

The motion was carried.

General Business

Question without notice from member Mr Brad Dunn, MUA Assistant Branch Secretary Sydney:

We strongly recommended to our members to take up loans with Unity Bank due to the protected action clause within your loan contracts knowing that we were likely to be part of a protracted agreement negotiation. We are now 2 months into industrial action and some members are starting to invoke the protected action clause in their loan contracts however some members are disappointed with the outcome as, although their loans are suspended, interest is accruing and they may have to make higher payments later in order to catch up. What is the difference in the Unity Bank protected action clause and other bank's loan hardship arrangements?

D Pavisic advised that when the protected action clause was introduced we made it very clear that interest still accrues on these loans. While members can suspend their loans it is always in their best interests if they can make some sort of repayments as interest does capitalise on these loans whilst they are in the deferral period. Members have the option of deferring repayments or preferably reducing repayments to a level they can sustain. At the end of the deferment period they then have the option of either extending the term of the loan or increasing repayments in order to catch up on the payments they have missed.

The difference with our protected action clause and every other bank in Australia is twofold. Firstly our members have the ability to invoke this without having to apply for hardship and provide the necessary documents to support the hardship review process and secondly Unity Bank will not require members to make any repayments whilst a loan is in protected action deferment although we will suggest that it may be in your best interests to do so depending on your individual situation.

Brad thanked the CEO for his comprehensive response and advised that he had reviewed the protected action clause and has confirmed that it does clearly state that interest accrues. Can the Bank advise if it is possible for members to arrange for interest only payments during the deferment period?

D Pavisic advised that each member is assisted on a case by case basis with interest only or even less than that acceptable options available to members. D Gilbert Head of Sales & Service advised that he will ensure that some further communication is provided to MUA workers to ensure that there are no further misunderstandings and members feel truly supported .

The meeting closed at 3.51pm.

.....
Chair