

Stronger together, to benefit you

Vote 'yes' and be part of a strong future with one of Australia's leading mutually-owned banks.

Member Information Document

for the merger of *Unity Bank Limited* and *G&C Mutual Bank Limited*



This document is the Member Information Document for the merger of *Unity Bank Limited* and *G&C Mutual Bank Limited*.

A copy of this Member Information Document was provided to APRA for review in accordance with the Transfer Act and the Transfer Rules 2017 - Voluntary Transfers. In reviewing this booklet, APRA has consulted with ASIC. Neither APRA nor ASIC accepts any responsibility for the accuracy or otherwise of any of the matters it contains.

Important Notices

Overview

Unity Bank Limited [ABN 11 087 650 315] (**or Unity**) and **G&C Mutual Bank Limited** [ABN 72 087 650 637] (**or G&C**) propose to merge by transferring all of **Unity's** business to **G&C**.

The merger will proceed if members of **Unity** and **G&C** approve the merger proposal at respective Annual General Meetings, and the Australian Prudential Regulation Authority (APRA) provides the necessary regulatory approvals.

Please note that the merger proposal is a total package. Members can only choose to approve or not approve the merger proposal in its entirety as described in this Member Information Document.

This document has been prepared to provide members with information about the merger proposal.

The Boards of both institutions unanimously endorse the contents of this document and are not aware of any other information that is material to members' decision whether or not to approve the merger and has not previously been disclosed.

Purpose of this Member Information Document

This Member Information Document contains important information about **Unity's** proposed merger with **G&C**, to assist members in deciding how to vote on the merger at the Annual General Meeting. This document includes the information about the merger which is legally required to be provided

to members under the *Financial Sector (Transfer and Restructure) Act 1999 (Cth)* and the Transfer Rules 2017 - Voluntary Transfers. Please read this document carefully before deciding how to vote.

Notice of Annual General Meeting

A Notice of Annual General Meeting is included with this Member Information Document.

Date

This Member Information Document is dated 4 October 2024.

Contact details

If you have questions about this document, please contact:

Unity Bank:

Email: merger@unitybank.com.au

Phone: 1300 362 000

G&C Mutual Bank:

Email: merger@gcmutual.bank

Phone: 1300 364 400

Contents

1. A message from both Board Chairs	4
2. Summary of reasons to vote 'yes' or 'no' for or against the merger	6
3. How the merger will benefit you	11
4. Our commitment to our members	12
5. Key details of the merger	13
Schedule 1 Comparison of products	30
Schedule 2 Changes to fees and charges	33
Schedule 3 Differences between Constitutions	36



1. A message from both Board Chairs

4 October 2024

Dear member,

On behalf of the Boards of *Unity Bank* and *G&C Mutual Bank*, we are pleased to present this booklet outlining important information about the proposed merger between our two banks.

Last year, the Boards of ***Unity*** and ***G&C*** announced an agreement to allow for the merger of the two banks. We are pleased to provide this Member Information Document which provides full details of this exciting growth opportunity and recommends that you vote in favour of the proposed merger.

Both ***Unity*** and ***G&C*** have proud histories and legacies in the communities and industrial sectors in which we each operate, and we also share a strong alignment to member-owned banking and delivering exceptional value in a fair and equitable manner. The merger represents a pivotal step towards securing our future success and leading the way to achieve a better banking experience for all our members and future members.

A merger will create one of Australia's leading mutually-owned banks with over 60,000 members, assets of over \$3.6 billion, member capital of over \$307 million and the capacity and capability to continue to invest in new products and services for the benefit of our members and the industries and communities in which we operate.

We believe that the proposed merger is in the best interests of all members and is crucial to securing our future and ongoing success.

The ***Unity*** and ***G&C*** Boards wholeheartedly and unanimously recommend that members vote 'yes' in favour of the merger. Our decision is based on several key factors:

- 1. Enhanced member benefits:** Through integration, we will offer a broader range of competitively-priced products, fewer and lower fees and contemporary digital banking solutions, backed by ongoing investments to meet evolving member needs.
- 2. Future sustainability:** The merger will provide the scale, resources, capital and capacity to help secure our future success and enable us to remain competitive in the dynamic banking sector. The

merger will also deliver the financial sustainability that will underpin a strong and dynamic future.

3. **Elevated technological investments:** As the world grows more complex, we are poised to ramp up our investments in our digital capabilities. This strategic focus aims to deliver superior member experiences while fortifying our defences against cyber threats through robust fraud detection and prevention measures.
4. **Ideal partnership and collaboration:** *Unity* and *G&C* have forged a strong partnership over the past 20 years based on a deep commitment to mutual values and delivering excellent member outcomes. Our two banks are well known to each other, with our teams collaborating extensively over the years on mutually beneficial initiatives and joint investments for the benefit of members. More importantly, both our banks are passionate about putting the interests of members first.

While *Unity* and *G&C* are both financially strong, the landscape of the Australian banking sector presents challenges for relatively smaller financial institutions. The costs related to technology and compliance are especially burdensome and since 2005, the number of mutual financial institutions in Australia has decreased significantly, falling from 170 to less than 60 today, highlighting the trend of mergers as a response to these challenges.

A merged bank will have the scale, capacity and resources to ensure that our members will continue to benefit from competitively-priced products while maintaining our unwavering commitment to exceptional service—a legacy we are proud of. We are confident that the additional scale achieved through the merger will lay the groundwork for the next phase of our growth in a strong and sustainable manner.

Furthermore, the merger will bring advantages to our employees by providing access to a broader range of career opportunities across multiple locations in Australia. Our employees are our cornerstone, embodying our commitment to putting members' needs first. As a result, there will be no staff redundancies and all of our branches and agencies will be retained with no downsizing of any member services.

We strongly believe that the proposed merger will not only benefit our members and staff but also play a crucial role in expanding our presence within the industries and communities in which we operate. We will play a bigger role in transforming the banking landscape, placing a strong emphasis on the mutual benefit of customers as valued members, not just shareholders.

The merger can only proceed if members of both *Unity* and *G&C* vote to approve it at their respective Annual General Meetings. Details of how to vote are set out in the Notice of Annual General Meeting which accompanies this Member Information Document.

We encourage you to vote 'yes' to approve the merger and each Director intends to vote in favour of the merger.



Steve Helmich
Chair - *G&C Mutual Bank*



Mick Doleman
Chair - *Unity Bank*

2. Summary of reasons to vote 'yes' or 'no' for or against the merger

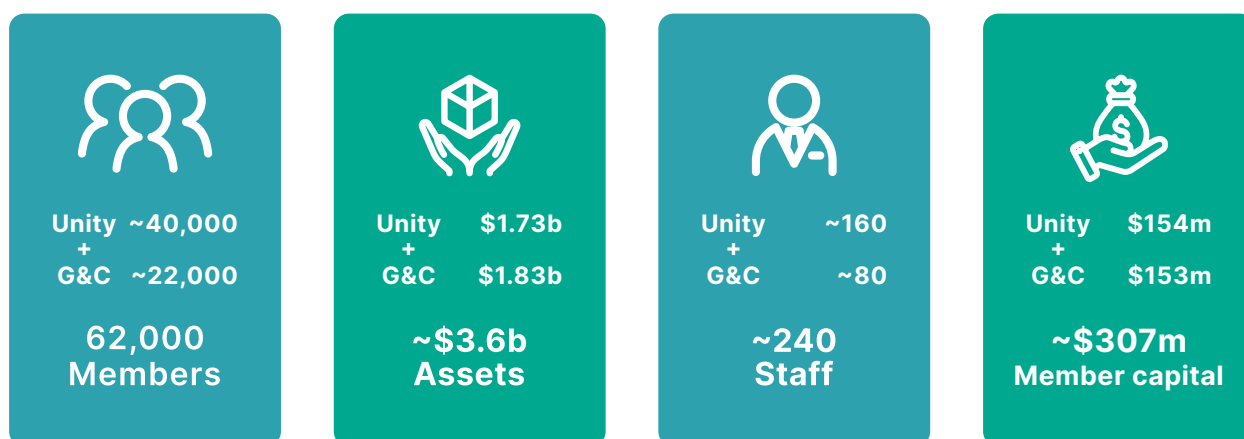
Below is a summary of reasons why you should vote for or against the merger. Full details are contained in this document under section 5. **Key details of the merger.**

Why vote 'yes'?

- ▶ The merger will benefit you and other members.
- ▶ The merged bank will stay faithful to our origins and commitments.
- ▶ It ensures our future success and sustainability.
- ▶ Local representation, leadership, and investment will continue.
- ▶ **Unity** and **G&C** are the ideal partners and have developed a great deal of trust in each other.
- ▶ Employees will gain advantages from the merger.
- ▶ The communities and industries in which we operate, will continue to receive support from the merged bank.
- ▶ The **Unity** and **G&C** Boards unanimously and strongly recommend voting 'yes' for the merger.

Unity and **G&C** share a common purpose: to assist our members in achieving their financial objectives. By merging the strengths of both organisations, we will preserve our unique attributes while harnessing the collective scale of our membership to enhance benefits for you.

The merged bank will become one of Australia's premier member-owned banks with approximately 62,000 members, 240+ staff, \$3.6 billion in combined assets and member capital of over \$307 million.



Why vote 'no'?

- ▶ Pursuing the merger may result in the loss of opportunity to explore an alternative merger or another corporate transaction.
- ▶ Anticipated merger benefits may not be realised or may be lower than anticipated.
- ▶ The merger will result in certain changes to member rights.
- ▶ A single \$250,000 cap under the Federal Government's Financial Claim Scheme will apply to deposits held by a member at the merged bank, instead of a separate cap per bank.

2.1 Discussion of reasons to vote 'yes' for the merger

The merger will bring significant benefits to you and all members. As we work towards integrating our operations into a single entity, we anticipate a range of advantages that will enhance your banking experience:



Expanded branch network: You will gain access to a wider network, including 27 sites across Australia with **no branch closures**.



Friendly and experienced staff: Commitment to no staff redundancies ensuring you continue to receive member-focused support and expertise, while providing staff with enhanced career opportunities.



Improved product range with fewer and lower fees: Enjoy a better selection of competitively-priced products and services, including a credit card with a premium loyalty program, reverse mortgages and high yield online savings accounts. There will be a reduction in some fees whilst others will be abolished.



Enhanced technological investment: Experience modern, secure digital banking solutions backed by ongoing investments to meet your evolving needs and to help protect you from fraud and scams.



Cost efficiency: Elimination of duplicate IT investments and compliance costs, and better negotiating power with suppliers, will lead to savings that can be redirected towards improving member services.



Continuity and commitment: Remain part of a larger member-owned banking organisation committed to mutuality and serving members' interests.

For more detailed information on these benefits, please refer to **5.5 Benefits of the merger**.



**No branch
closures**



**No
redundancies**



**Proudly
Australian
contact centres**



**Members,
employees and
community to
benefit**

We will remain true to our origins and our commitments

We remain steadfast in honouring our origins and commitments, ensuring that our core values and promises to our members, employees and communities remain unchanged. These commitments are detailed in this document under section **4. Our commitments to our members.**

Increased scale will help secure our future and ongoing success

The merger is a strategic move to secure our future and ongoing success. In today's competitive banking landscape, increased size and scale are essential, as outlined in **5.4 What are the reasons for the merger?**

Continuing our local representation, leadership, and investment is paramount

We recognise that many members choose us for our local presence and personalised service, which major banks often lack. This will continue after the merger as we will be maintaining our local knowledge, employment opportunities, and investment through our branch, agency and head office locations in capital city and regional locations, stimulating broader economic activity in these communities.

Unity and G&C are ideal partners

We are confident that **Unity** and **G&C** are the ideal partners for each other, sharing similar purposes and values, especially our absolute commitment to members, remaining member-owned, and delivering exceptional member service. By merging the strengths of both organisations, we will preserve our unique attributes while

harnessing the collective scale of our membership to enhance benefits for you.

Section **5.4 What are the reasons for the merger?** elaborates further on why **Unity** and **G&C** are the ideal partners for each other.

Staff will benefit from the merger

Employees will benefit from the merger, experiencing enhanced career development opportunities within one of Australia's leading member-owned banking organisations. There will be no redundancies, ensuring continuity of service and friendly interactions at local branches, over the phone, and through mobile lenders.

With a national presence and increased profile, we will be able to better attract top talent as an employer of choice, with staff having greater career development and training opportunities.

Good for our communities

Communities will benefit significantly from the support of the merged bank. Both **Unity** and **G&C** are deeply committed to community and industry engagement and have a strong presence in the areas in which we operate. The enhanced scale and financial capacity will allow us to support our communities to a greater extent than we can individually. We will remain deeply committed to supporting our local and industrial communities, through our community sponsorships, local initiatives and corporate social responsibility programs.

The **Unity** and **G&C** Boards unanimously recommend that you vote **'yes'** in favour of the merger

Both Boards have conducted a thorough assessment process to evaluate the potential

risks and benefits of the merger. This process has clearly shown that merging offers the best prospects for maintaining successful member offerings in the future. By merging the highly complementary businesses, the merged bank will have access to economies of scale, a greater capital base, operating cost savings (particularly in technology programs) and expanded product offerings, ensuring its ongoing success.

Both Boards see the two banks as ideal partners due to the highly complementary and attractive business profiles, shared values and purpose, and the exciting opportunity presented by a true merger-of-equals transaction.

In consideration of these factors, both Boards believe that the merger is in the best interests of members and wholeheartedly and unanimously recommend voting 'yes' in favour of the merger.

“

The *Unity* and *G&C* Boards unanimously recommend that you vote **'yes' in favour of the merger**

”

2.2 Discussion of possible reasons to vote 'no' against the merger

Pursuing this merger may result in forgoing the opportunity to explore alternative mergers

Both **Unity** and **G&C** are allocating significant resources towards implementing the merger, which could potentially be directed elsewhere within either organisation. This includes considering a merger with a different partner to ensure ongoing success. However, as outlined earlier, both Boards firmly believe that **Unity** and **G&C** are ideal partners and that the merger is in the best interests of all members.

It may not be possible to negotiate as favourable a merger with another partner. For example, an alternate merger proposal may result in the closure of branches or the redundancy of staff.

However, it's important to note that proceeding with this merger does not preclude the merged bank from considering another merger in the future.

Anticipated merger benefits may not be realised or may be lower than anticipated

There is a possibility that the anticipated cost savings and economies of scale from the merger may not be as great as expected, or that unanticipated integration costs and challenges could arise. Although we have no indications that such issues will occur and both banks have successfully executed multiple mergers over the past 10 years, it is important to acknowledge the potential for longer integration timelines due to unforeseen challenges.

The merger will result in certain changes to member rights

Each **Unity** member will cease being a member of **Unity** on the merger date and will become a member of **G&C**. Accordingly, the **Unity** Constitution will cease applying at that point and the **G&C** Constitution will apply instead. While member rights and obligations under that Constitution are materially the same as the rights and obligations under the **Unity** Constitution, there will be some very limited differences. Details of those differences are set out in **Schedule 3** of this document.

A single Financial Claims Scheme cap will apply to all deposits with the merged bank

The Federal Government's Financial Claims Scheme, provides a guarantee for deposits capped at \$250,000 per account holder per bank. Currently, two separate \$250,000 caps apply to deposits held with **Unity** and **G&C**. From the merger date, all deposits held by **Unity** and **G&C** will be held by the merged bank and the \$250,000 deposit guarantee of the Federal Government's Financial Claims Scheme will apply to combined deposits held by the merged bank. This will not impact you, unless you have amounts on deposit with both **Unity** and **G&C** that collectively exceed \$250,000.

3. How the merger will benefit you

By voting 'yes' for the merger, you will be voting to benefit from the collective strength of a combined organisation that exists solely for its members.

What benefits our business also benefits our members, both as owners and as customers. The business improvements expected from the merger will directly translate into advantages for you, including access to a broader range of competitively-priced products and services with fewer and lower fees.

The merger will expand your access to a member-owned branch, agency and office network, combining **Unity's** current network of 21 branches with **G&C's** six branches. Following the integration of our banking systems, you will have access to an expanded network in New South Wales as well as branches in Queensland, Victoria, South Australia and Western Australia.

We anticipate that the merger will provide the scale necessary to offer contemporary, secure digital banking, backed by ongoing investments to meet your evolving needs. The increasing use of digital payment options by our members, highlights the importance of enhancing our digital capabilities. This includes quicker access to modern digital banking features such as mobile applications, ensuring a seamless and secure member experience.

The merger will enable us to introduce a wider range of products, combining the best offerings from **Unity** and **G&C**. A comparison of existing products, including which products will be available for issue from the merged bank after the merger, is outlined in **Schedule 1**.

The merged bank will align the fee structures across both organisations for relevant product categories which will result in either the abolition or reduction in more than 40 fees and charges categories and the extension of fee exemptions to a broader group of members.

These changes will directly benefit members and are anticipated to collectively save members in excess of \$720,000 per annum. They will not disrupt your day-to-day banking experience, as we are committed to ensuring that members continue to receive all other benefits and pricing associated with their current products and services.

The changes to fees and charges are contained in **Schedule 2**.

Our commitment to maintaining local contact centres and providing personalised service and local knowledge will remain unchanged after the merger. In fact, members will be able to obtain access to additional contact centre staff and extended contact centre hours to 7.00pm Eastern Standard Time, Monday to Friday. This aligns with our shared understanding that many members choose us for our local presence and personalised approach to banking.

Overall, the merger represents a strategic move to enhance our capabilities and offerings, ensuring that we continue to meet the evolving needs of our valued members while maintaining our strong community connections and personalised service.

By voting 'yes' for the merger, you will be voting to benefit from the collective strength of a combined organisation that exists solely for its members.

4. Our commitments to our members

When **Unity** and **G&C** initiated discussions regarding a potential merger, it became evident that both organisations shared a strong vision for what the merged bank would be and how it would operate to benefit members. This has been embodied in the following commitments that honour our history and ensure what is important to you will be retained, while combining the best of both to create positive change:

As a consequence of, and following the merger:

- ▶ We will continue to be entirely member-owned and prioritise member outcomes, rather than focusing on paying dividends to shareholders. Mutuality is deeply ingrained in both our DNA.
- ▶ The Board of the merged bank at the merger date will have equal representation from **Unity** and **G&C** – ensuring our membership as a whole is appropriately represented.
- ▶ The executive team will include members from both organisations, ensuring stability and reflecting the true nature of this merger as a merger-of-equals.
- ▶ We are committed to integrating the two organisations into a unified operation. While this process will take time to fully integrate systems, technology, products, and services, we anticipate significant benefits for members, including increased access to branches, products, and services.
- ▶ The **Unity**, Reliance and **G&C** brands will be maintained for an initial period immediately following the merger.
- ▶ The merged bank will then adopt **Unity Bank** as the single brand, reflecting the values of both **Unity** and **G&C**.
- ▶ All branches and agencies will be retained with no withdrawal of any services.
- ▶ There will be no staff redundancies and staff will have greater career progression and training opportunities. You will continue to be served by our friendly staff at your local branch, over the phone, online and by our mobile lenders. Our people will benefit from enhanced career development and growth opportunities as a part of one of Australia's leading member-owned banking organisations.

5. Key details of the merger

5.1 The merger

The merger will involve a total transfer of business by **Unity** to **G&C** under the *Financial Sector (Transfer and Restructure) Act 1999 (Cth)*. On the merger date:

- ▶ all of the assets and liabilities of **Unity** become assets and liabilities of **G&C**;
- ▶ the duties, obligations, immunities, rights and privileges applying to **Unity** apply to **G&C**;
- ▶ each member of **Unity** will become a member of **G&C** and will be issued with a \$0 member share in **G&C** (unless that person already holds a member share in **G&C** in which case they will not be issued another share in **G&C**);
- ▶ **Unity** members who have paid for their member share in **Unity** will receive a refund from **G&C** of the amount they originally subscribed for;
- ▶ each member share in **Unity** will be cancelled, other than the member shares of the Directors of **Unity**, who will temporarily retain those shares in order to facilitate the deregistration of **Unity** after the merger.
- ▶ within 12 months of the merger date, the merged bank will change its company name to **Unity Bank Limited**.

If the members of **Unity** and **G&C** approve the transfer proposal, approving the merger and subject to APRA granting the necessary regulatory approvals, the merger between **Unity** and **G&C** will take effect on 7 March 2025 or such later date approved by APRA.

Further information about the effect of the merger is set out below.

5.2 Deregistration of **Unity** after merger

After the merger, **Unity** will be an empty shell company without any assets and with its Directors being its only members. The Board of **Unity** gives its assurance that it will deregister the **Unity** company, that it will ensure that all **Unity** funds are transferred to **G&C**, and that it will prepare, sign-off and lodge financial statements for the **Unity** company, to the extent required by law.

5.3 Background

Unity Bank Limited (Unity)

Unity was formed in 1970 as a mutual credit union to cater for Australians and their families employed within the maritime industry. From these early beginnings it has grown to 40,000 members and over the last 10 years has further evolved merging with eight other credit unions with a mixture of community and industrial members. With a focus on putting members first, **Unity** has 21 locations across Australia.

G&C Mutual Bank Limited (G&C)

G&C was established 65 years ago and has built its business on the core values of mutuality, integrity, putting members first, strengthening local communities and sustainability. From its origins as the Public Works Department Credit Union servicing public sector employees, **G&C's** business has evolved over the years through the course of 18 mergers and several name changes and **G&C** has since grown to be one of Australia's strongest member-owned financial institutions. It currently has six branch locations in New South Wales and Victoria and provides a comprehensive and

award-winning range of financial services throughout metropolitan and regional markets.

5.4 What are the reasons for the merger?

Financial service industry consolidation

The Australian financial services industry has become increasingly consolidated over the past decade. This consolidation has been driven by intense market competition for loans and deposits, continuing downward pressure on interest margins, and an increase in funding and capital costs. Financial institutions have also been subjected to more demanding regulatory and compliance obligations and changing consumer behaviour giving rise to increased expectations for products and services and demographic shifts.

The **G&C** and **Unity** Boards have been closely monitoring the impact of the above market, regulatory trends and changing member expectations anticipating these will increase in the years ahead. Mindful of the need to meet high fixed costs whilst continually striving to deliver great value, service and the best contemporary technology, the Boards have sought to identify a strong mutual partner for the next phase of growth. Both organisations are in sound financial positions and independently performing strongly, however it is becoming increasingly challenging for smaller financial institutions to remain competitive within the Australian banking sector. The Boards of **G&C** and **Unity** believe the merger will provide the foundations for continuing strength and sustainability of the merged bank and the mutual banking sector more broadly.

In particular, the two Boards have both recognised the compelling need to pursue voluntary mergers with like-minded mutual institutions, in order to achieve greater scale economies and reduced risk concentrations

along with the need to build new ways to undertake business while preserving our core values of mutuality, superior service, and meaningful relationships with members and their communities. The merged entity will provide increased scale for investments in impact for members, the community and staff as a larger purpose-driven bank.

Compatibility in strategies

Both organisations have similar strategic directions and a mutual approach, ensuring benefits continue to go back to members and the community, not external shareholders. The strategy of creating and returning value to members by building total financial solutions, while providing greater support to local communities, is an objective that both organisations have been individually pursuing. The merged bank will pursue a values-driven operating model based on providing total financial solutions underpinned by a unique member experience and service proposition. The strategies aim to assist members in managing their evolving financial needs through the supply of innovative products and services, which also support the needs of the community in which they live and work.

The close alignment of business strategies between **G&C** and **Unity** will enable the merged bank to harness the resources of both organisations and provide members with access to a wider range of products and services, supported by more efficient processes and systems.

Enhanced market position and member value

The Boards believe that by creating a larger and more diversified organisation, leveraging both organisations' strong presence in their respective markets, the merged entity can enhance its market position as a values-based, member-owned financial services provider. This will allow for expansion into markets where

opportunities may exist, ultimately resulting in increased member value.

The **G&C** and **Unity** Boards have concluded that a merger between their two organisations is overwhelmingly in the best interests of their members having identified strong cultural and values alignment, and an enduring commitment to mutual ownership that puts members' best interests at the heart of their operations. The merger provides an exciting opportunity to combine the strengths and proud histories of the two organisations in a merger-of-equals which will allow us to offer improved products and services for our combined membership base.

A merger of **Unity** and **G&C** will allow the merged bank to secure the higher-level business skills, risk management resources, and capital that will be increasingly required to underpin member security into the future. It will also have greater bargaining power with key suppliers and will be able to access cheaper sources of funds to meet its loans demands. The merged bank will benefit by delivering cost savings over time, by integrating the largely fixed costs that would otherwise be duplicated across two organisations. Some of the savings that will be able to be achieved include operating on a single integrated technology platform, rather than having to invest in and maintain two systems, one single regulatory compliance framework and combining all processes and policies that will drive efficiencies throughout the organisation.

The merger will create one of Australia's largest nationally operating mutual banks with projected assets as at the merger date of over \$3.6 billion and a combined network presence of 27 locations across Australia, opening up new growth opportunities for the merged bank to extend the benefits of customer-owned banking to even more Australians. The increased scale and cost synergies from the merger will allow the merged bank to fund further innovative

products and community support initiatives providing a positive impact for members and their communities.

Further detail on these benefits and the reasons why the Boards consider this merger to be overwhelmingly in the best interests of members is contained in the following sections. In recommending the merger, the **G&C** and **Unity** Boards paid particular regard to the fact that they are both firmly committed to providing a competitive and cooperative mutual banking alternative.

The merged bank aims to capture this market opportunity by focusing on five key areas namely, values; products and services; access; community; and people.

Values

The merged bank will continue the tradition of being a strong values-based, member-owned organisation. The values of mutuality, integrity, putting the member first, strengthening local communities and sustainability will underpin the policies and business decisions. It will act with openness, accountability and fairness, to deliver responsible and sustainable financial services, whilst retaining the high levels of satisfaction already being experienced by the members of **Unity** and **G&C**. The merged bank will remain committed to ensuring the best interests of members drive its direction and decision-making processes.

Community

Both organisations have an established record of contributing to the community that they belong to. The Boards of both entities are committed to ensuring the merged entity will be a continued contributor to the local communities within which we both operate and remain focused on the local needs of our member communities.

Products and services

With a wide range of products and services already available, and a targeted, strategic and purposeful approach to new product development, the merged bank will ensure its products continue to be relevant, innovative and meet the needs of its member segments (i.e. youth, retired and first home buyers).

Access

The merged bank provides an opportunity to better serve both organisations' members and their communities. Members will benefit by additional physical access via a larger network with a combined 27 locations nationally, together with enhanced and innovative technology options.

People

Our people are critical to our success. The merged bank will provide enhanced opportunities to retain and develop its people. There is a strong desire to position the merged bank as an employer of choice amongst those seeking careers within the financial services sector. The merged bank will benefit by merging the strengths of the existing staffing structures of both organisations, producing a broadened skill mix and provide opportunities for stronger succession planning.

5.5 Benefits of the merger

a) Member benefits

Products and services

There will be a more comprehensive range of competitive products and services enabling members to choose products that best suit their needs. These include platinum credit cards with a premium loyalty program, an expanded range of home loan products

(including reverse mortgage facilities and Home Guarantee Scheme), a market-leading fair rate suite of personal loans, small business loans, relationship banking offers and a range of insurance and financial planning services.

A complete comparison of **Unity's** and **G&C's** products and services, including which products will be available for issue from the merged bank after the merger, can be found in **Schedule 1**.

Interest rates

Interest rates on loans, investments and savings accounts will remain competitive within the financial services market and aligned to the overall framework of mutual member benefits and sustainable growth for members under the merged entity.

Member access

There will be no reduction in the number of access channels as a result of the merger. Members will benefit from an expanded branch network across metropolitan and regional locations nationally; national access through Australia Post's Bank@Post service; improved internet banking and national payments platforms; and digital banking services. The merged bank will be better positioned to serve members and the communities in the areas in which it operates, a multichannel approach to service (branch, internet and mobile), providing continuity of member experience, addressing members' desire to control the time, place, channel, and information required to perform their banking activities.

Growth and sustainability

Both organisations are well established in both metropolitan and regional locations throughout Australia.

The merger presents a strategic opportunity for further growth, increasing economies of

scale, market influence, reach and prospects for both organisations, members and their communities. By combining operations, the merged bank will be within the top 10 member-owned financial organisations in Australia based on asset size. Building a diversified business throughout Australia improves the merged bank's ability to manage risks and cope with challenging economic conditions. Whilst having a national presence, the Boards and Management remain cognisant of the need to keep a local, personal approach while still enjoying the benefits the merged bank can offer as a larger, stronger operation.

b) Organisation benefits

Business efficiencies

The financial services market is highly competitive, with continuous pressure on interest margins during the current economic uncertainty. **Unity** and **G&C** members will be able to take advantage of the stronger competitive position a larger entity provides by:

- ▶ combining the strengths of both organisations;
- ▶ taking advantage of the geographic diversification the transfer will provide; and
- ▶ leveraging investments (both past and future) in marketing, information technology, product and services.

Combined, the merged bank will be in a better position to improve efficiency and be more effective through greater economies of scale.

Geographic diversification

Merging **Unity** and **G&C** will enable geographic diversity to be achieved by allowing both organisations to expand outside their current geographic markets by using their combined strength.

Technology

The accelerating rate of technological change and increasing penetration of mobile devices, combined with shifting customer preferences, will have dramatic implications of how financial services are structured, delivered and consumed in Australia and across the world.

The enormous changes technology has made to the way Australians engage with their financial institutions - with the once ubiquitous in-branch interactions now all but replaced by ATMs, online transactions and digital wallet services. Future growth of innovation in financial technology brings scope for even more changes and delivery of new services.

The financial services market in Australia is highly competitive, with an accelerating rate of technological change and increasing development costs. This linked with shifting customer preferences places financial institutions under pressure to compete efficiently. Combining the strengths of both organisations will not only provide greater geographic diversification and economies of scale, but also increase efficiencies through leveraging investments in information technology and systems; products and services; innovation; and process optimisation. Through these changes, the merged entity will be well placed to respond to the challenges and capture future opportunities of technological change. **Unity** and **G&C** members will be able to take advantage of the stronger competitive position the larger entity will provide.

Supplier services

Both organisations rely on suppliers to operate. These include banking support services, electronic switching of transactions such as ATM and EFTPOS transactions, information technology, direct entry processing, printing, advertising and general administration services.

Being a larger organisation, the merged entity will be in a better position to streamline the number of providers and negotiate contracts on more favourable terms.

c) Strategic benefits

Organisational alignment

The merger recognises the changing face of the financial services industry and the need to build a diversified business throughout Australia to improve the ability to manage increasing levels of competition and regulation, and the evolution of new technologies and subsequent demand.

Bringing together two member-owned financial organisations which share compatible values and strategic direction will see both entities well positioned within the member-owned banking industry to effectively manage the changing financial landscape while preserving our core ideals of mutuality, superior service, and meaningful relationships with our members and their communities.

Strategic direction

Both organisations have similar strategic directions. The strategy of creating and returning value to members by building total financial solutions, while providing greater support to local communities, is an objective that both organisations have been individually pursuing.

Building a diversified business throughout

Australia improves the merged bank's ability to manage risks and cope with economic conditions.

5.6 Specific effects of the merger

The Directors of both Boards have provided the following statement setting out their current intentions in relation to future management of the merged business.

Future directions

The operations of **G&C** and **Unity** will be integrated as soon as practical after the effective merger date. Further details about the integration process are provided in the following sections. The required integration and rationalisation of computer systems and transactional services, major suppliers and outsourcing contracts, and infrastructure and corporate policies, will occur progressively in the period following the merger and is expected to be completed within 12 months of the merger date.

Incorporated name

The Boards agree that the new company name of the merged bank will be **Unity Bank Limited**. Subject to securing the necessary regulatory and member approvals and due to the complexities around the legal transfer of the **Unity Bank** name to **G&C Mutual Bank** as the receiving entity, the merged bank will implement this new incorporated name within 12 months after the effective merger date.

Trading and brand names

During the immediate post-merger transitional period of up to 18 months, all trading names and brands currently utilised by **Unity Bank** (including Reliance Bank) and **G&C Mutual Bank** will remain. The merged bank will then consolidate its various brands and trading names such that the only trading name will

be **Unity Bank**.

Head office

Both head offices, being **Unity's** Level 7, 217 Clarence St Sydney NSW 2000 and **G&C's** Level 25, 201 Elizabeth St Sydney NSW 2000, will be retained immediately after the merger.

Branches

Following the merger date, all existing **Unity** and **G&C** branches, agencies and offices will be retained and will be available for immediate use by members.

Staff

The Chief Executive Officer of **Unity**, Danny Pavisic, will become the initial Chief Executive Officer of the merged bank and the Chief Executive Officer of **G&C**, Rosanna Argall will become the Deputy Chief Executive Officer. Twelve months after the effective merger date, Danny Pavisic will retire from the role of Chief Executive Officer. Upon his retirement as Chief Executive Officer, Rosanna Argall will assume the role of Chief Executive Officer.

Certain changes to the contracts of employment with Danny Pavisic and Rosanna Argall will take effect on completion of the merger to facilitate those executives becoming, respectively, the Chief Executive Officer and Deputy Chief Executive Officer of the merged bank. These new employment contracts will only come into effect if and when the merger occurs, and are on terms which are substantially the same as their previous employment agreements.

It is the intention of **G&C** and **Unity** that all staff who are employed immediately before the merger takes effect, will remain employed after the merger on the same remuneration and other employment terms (whether arising from specific Employment Contracts or

from the terms of a pre-existing Enterprise Agreement) as applied to them immediately before the effective merger date.

On the merger date, all **Unity** staff will become staff members of **G&C** and will retain the benefits accrued during their employment with **Unity** and continue to be employed by **G&C** under their current terms and conditions of employment with **Unity**.

Products and services

After the merger, members of the merged bank will have access to a combined selection of products described in **Schedule 1**.

Members will continue to hold any existing **Unity** and **G&C** products issued prior to the merger on the terms and conditions that apply at the time of the merger. There are no plans to vary these terms and conditions for existing products. However, in the future, there may be product alignments, and other changes to products and services, and terms and conditions, in the course of the merged bank's usual business. The merged bank will provide the required notice for any such changes.

The Boards of both organisations are acutely aware of the competitive environment in which they operate and that fairness, choice and value must always remain the guiding principles for any product and service changes that are made.

The merger will enable a more cost-effective product and service management and eliminate any unnecessary duplication of costs and activities.

A comparison of **Unity** and **G&C** existing loan, savings and term deposit products is provided in **Schedule 1**.

Fees and charges

It is intended that as part of the computer

system integration the merged bank will implement a common fees and charges approach. In doing so, more than 40 fees will be reduced/eliminated and key exemptions extended, from the date the merger takes effect. Details of these changes are contained in **Schedule 2**.

Interest rates

All fixed loan contracts in place at the transfer date will continue at their existing interest rate and under their existing contracted terms and conditions. Interest rates for existing variable loan contracts will remain unchanged under their existing terms and conditions and are subject to normal market forces.

All existing term deposits will continue under their current interest rate for the remainder of their contracted terms. New and maturing deposits will be offered interest rates based upon prevailing market conditions and the financing requirements of the merged bank at that time.

Existing transaction, savings and investment accounts will continue with their current interest rates and are subject to normal market forces.

Member shares

After the merger, each member of **Unity** will cease to be a member of **Unity** and their \$10.00 member share in **Unity** will be cancelled. Each **Unity** member will be issued with a member share in **G&C** with a \$0.00 subscription price and will become a member of **G&C**. Within 30 days of the effective merger date, each **Unity** member will also be refunded (by direct credit to their account) an amount of \$10.00, reflecting the subscription price of their **Unity** member share.

However, any member of **Unity** who (as at the merger date) is also a member of **G&C** will not

be issued with another member share in **G&C**.

5.7 Effect of the merger on the rights and obligations

The rights and liabilities attaching to member shares in **G&C** that will be issued to **Unity** members are substantially the same as the rights and liabilities attaching to the current member shares in **Unity**.

Member rights are set out in the Constitutions of each organisation. Differences between the Constitutions of **G&C** and **Unity** that may be relevant to members are described in **Schedule 3**.

To obtain a copy of the Constitution of **Unity** or **G&C**, contact the relevant party using the details in this document.

The merger proposal will not trigger the application of the demutualisation provisions in *Part 5 of Schedule 4 of the Corporations Act 2001 (Cth)* in relation to either **Unity** or **G&C**.

5.8 What if the merger does not proceed?

In arriving at the decision to recommend the merger to members, the Board of **Unity** and **G&C** reviewed the possibility of merging with a number of other mutual financial institutions and concluded each other to be the best strategic fit for the reasons outlined in this document.

If the transfer does not take place the two organisations will each continue to operate as they have in the past. The Boards of both organisations believe that consolidation within the financial services industry and the high level of competition will continue. To compete in the longer term, both **Unity** and **G&C** will have to achieve economies of scale to enable them to continue to deliver the

products and services members have come to expect from their mutual financial institution. Further, such products and services will need to be provided at a competitive price. There is also an expectation that **Unity** and **G&C** will continue to make a meaningful contribution to support the local community.

It is considered that in such a competitive environment, achievement of efficiencies necessary to effectively meet members' needs and expectations will be difficult. In addition, the pressures of compliance resulting from the increasing burden of regulation will likely impact delivery of key strategic objectives, such as technology innovation and new products and services and the desire to improve the contributions

to local communities, would be difficult to achieve over the medium term if **Unity** and **G&C** remain stand-alone entities. Both Boards acknowledge the requirement for greater scale will remain, yet organic growth alone will be insufficient to achieve the necessary size to compete effectively over the long term.

The Boards, therefore, may look for an alternative merger partner in order to achieve scale. There is a risk **Unity** and/or **G&C** may not be able to negotiate as favourable a merger with another partner. For example, an alternate merger proposal may result in the closure of branches or the redundancy of staff.



5.9 Financial position and performance of the organisations

The following tables summarise the financial performance and capital position of **G&C** and **Unity** based on audited financial results as at 30 June 2023 and 30 June 2024. If you require further financial information about either organisation, please contact the relevant party using the details in this document.

	Unity		G&C		Merged Bank
	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2024
	Actual	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Cash and cash equivalents	1,520	1,410	27,192	35,791	37,201
Due from other financial institutions	136,584	133,192	78,087	73,722	206,914
Debt instruments at amortised cost	290,185	195,162	367,753	350,159	545,321
Other assets	11,597	10,864	5,085	5,444	16,308
Current tax assets	120	70	-	498	568
Loans and advances	1,236,366	1,356,617	1,201,310	1,349,035	2,705,652
Financial assets at fair value through profit and loss	-	-	689	662	662
Financial assets at fair value through OCI	8,079	7,648	-	-	7,648
Property, plant and equipment	13,835	20,298	598	870	21,168
Right of use assets	2,973	2,577	1,179	6,484	9,061
Intangible assets	657	482	542	519	1,001
Deferred tax assets	2,170	2,249	2,537	3,102	5,351
Total Assets	1,704,086	1,730,569	1,684,972	1,826,286	3,556,855
LIABILITIES					
Deposits	1,346,272	1,495,228	1,476,138	1,642,406	3,137,634
Other liabilities	25,826	26,587	17,933	28,307	54,894
Other financial liabilities	189,931	20,642	45,865	-	20,642
Current tax liabilities	594	860	2,284	-	860
Provisions	3,999	4,528	2,018	2,203	6,731
Total Liabilities	1,566,622	1,547,845	1,544,238	1,672,916	3,220,761
Net Assets	137,464	182,724	140,734	153,370	336,094
EQUITY					
Member Equity	137,464	154,413	140,734	153,370	307,783
Additional Tier 1 Capital	-	28,311	-	-	28,311
Total Equity	137,464	182,724	140,734	153,370	336,094

Statement of Comprehensive Income

	Unity		G&C		Merged Bank
	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2024
	Actual	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	59,406	81,806	51,749	72,703	154,509
Investment income	12,554	20,869	16,146	22,201	43,070
Total Interest and Investment Income	71,960	102,675	67,895	94,904	197,579
Interest expense	24,052	48,326	30,112	54,382	102,708
Net Interest Income	47,908	54,349	37,783	40,522	94,871
Non-interest income	5,208	5,121	2,578	2,243	7,364
Net gain/(loss) on sale of assets - property, plant and equipment	199	183	-	-	183
Net gain/(loss) on financial assets at fair value through profit or loss	-	-	(973)	(27)	(27)
Total Net Operating Income	53,315	59,653	39,388	42,738	102,391
Operating expenses	36,762	39,398	22,902	24,482	63,880
Impairment expense	806	(486)	476	212	(274)
Total Expenses	37,568	38,912	23,378	24,694	63,606
Net Profit before tax	15,747	20,741	16,010	18,044	38,785
Income tax expense	4,768	6,289	4,540	5,408	11,697
Net Profit after tax	10,979	14,452	11,470	12,636	27,088
Other Comprehensive Income (OCI) for the year (net of tax)					
Net gain/(loss) on financial assets and Revaluation for Land & Buildings at fair value through OCI	(1,649)	6,171	-	-	6,171
Income Tax relating to other comprehensive Income	511	(1,852)	-	-	(1,852)
Other comprehensive Income for the year (net of tax)	(1,138)	4,319	-	-	4,319
Total Comprehensive Income for the year (before dividends)	9,841	18,771	11,470	12,636	31,407
Dividends on Additional Tier 1 Capital Instrument	-	1,821	-	-	1,821
Total Comprehensive Income for the year (after dividends)	9,841	16,950	11,470	12,636	29,586

	Unity		G&C		Merged Bank
	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2024
	Actual	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
REGULATORY CAPITAL RATIOS					
Common Equity Tier 1 capital	15.98%	15.55%	16.24%	16.64%	16.08%
Additional Tier 1 capital	(0.02%)	2.99%	0.00%	0.00%	1.53%
Total Tier 1 capital	15.96%	18.53%	16.24%	16.64%	17.61%
Total Capital Ratio	15.96%	18.53%	16.28%	16.67%	17.62%
REGULATORY CAPITAL					
Common Equity Tier 1 capital	127,809	146,461	137,224	149,854	296,315
Additional Tier 1 capital	(202)	28,109	-	-	28,109
Total Tier 1 capital	127,607	174,570	137,224	149,854	324,423
Tier 2 capital	-	-	322	263	263
Total regulatory capital	127,607	174,570	137,547	150,117	324,686

Members will be advised of any known changes, between the date of this Information Document and the date of the Annual General Meeting, to the financial information contained in this section that are material to the decision of members whether or not to approve the merger. Any such changes will be disclosed on the organisation's website (**G&C:** gcmutual.bank and **Unity:** unitybank.com.au), with notice of availability provided to members by email, sms or letter.

5.10 Outcomes of due diligence

Due diligence is a validation process whereby each entity assesses the financial and business performance of the other. It allows the Boards, management, staff, and ultimately **Unity** and **G&C** members to make an informed decision on whether the proposed transfer of business should proceed.

The objectives of a due diligence process include obtaining a detailed understanding of the business of the other organisation. This includes identifying its business practices, potential operational synergies and transfer risks. Due diligence activities were undertaken by both organisations during October - December 2023 and independent advice was obtained from:

Daniels Bengtsson Pty Limited	Legal due diligence including AFS and Australian Credit Licensing.
Grant Thornton	Financial Accounts and Taxation including statutory and board reporting, capital management and internal controls.

Due diligence reports were subsequently presented to the respective Boards and each Board has concluded that there are no issues that would prevent the transfer from proceeding.

5.11 Composition of the proposed merged board

If the merger with **Unity** and **G&C** is approved, the merged bank's Board will consist of 10 Non-Executive Directors, comprising 5 Directors drawn from the existing **G&C** Board and 5 Directors drawn from the existing Board of **Unity**, as set out in the table below.

On the merger date, the 5 current Directors of **Unity** set out in the table below will become Directors of **G&C** and each of the 10 Directors of the merged bank will hold office for the term and, for the purposes of the Constitution of **G&C**, hold office as an 'Elected Director' or 'Appointed Director', as set out in the table below. The changes to the Board will be given effect by the merger approval process and not in accordance with the director appointment and election process in **G&C's** Constitution.

Name	Term of office expires	Elected or Appointed Director
Michael Doleman (Unity)	At the end of the 2028 Annual General Meeting	Elected Director
Mark Watson (Unity)	At the end of the 2028 Annual General Meeting	Appointed Director
Grahame Kelly (Unity)	At the end of the 2027 Annual General Meeting	Elected Director
Mich-Elle Myers (Unity)	At the end of the 2027 Annual General Meeting	Elected Director
Garry Keane (Unity)	At the end of the 2026 Annual General Meeting	Appointed Director
Steve Helmich (G&C)	At the end of 2027 Annual General Meeting	Elected Director
Dave Taylor (G&C)	At the end of 2028 Annual General Meeting	Appointed Director
Jamie McPhee (G&C)	At the end of 2028 Annual General Meeting	Elected Director
Leanne Harris (G&C)	At the end of 2026 Annual General Meeting	Appointed Director
Jo Dodd (G&C)	At the end of 2027 Annual General Meeting	Elected Director

The qualifications and experience of the Directors are set out in the table below.

Director	Qualifications and Experience
Mick Doleman	Mick is the Chair of Unity Bank and brings energy and innovation as well as well-developed business and commercial skills and experience. He is a former Chair of the Melbourne Seafarers Centre and a former director of Maritime Super and the Seacare Authority.
Grahame Kelly	Grahame is the General Secretary of the Mining and Energy Union. He is a Director of Auscoal Superannuation, Mine Super Services and the Coal Long Service Leave Funding Corporation. Grahame brings a broad range of industrial and commercial skills.
Mich-Elle Myers	Mich-Elle is an Assistant National Secretary, National Campaigns Coordinator and National Women's Liaison Officer with the Maritime Union of Australia and Vice President of the Australian Labor Party. With previous experience on the ACTU Executive she has extensive skills in communication, strategic planning and business generation.
Mark Watson	Mark is a Director of Auscoal Superannuation and Mine Super Services. With extensive experience in banking and finance, he is a member of the Institute of Chartered Accountants Australia and the Australian Institute of Company Directors.
Garry Keane	Garry is a retired Branch Secretary of SNSW MUA and a retired MUA Deputy National Presiding Officer. He brings a wealth of industry experience and skills in strategic thinking, communication, organising and planning.
Steve Helmich	Steve is Chair of G&C Mutual Bank and joined the G&C Board following the merger with Quay Credit Union in 2016. During his career at AMP, Steve successfully led the financial planning business through periods of reform and change. He was responsible for the strong growth in AMP Financial Planning and Hillross as well as the establishment of the Horizons Financial Planning Academy. He is a past Chairman of the Financial Planning Association of Australia (2002 – 2004), a past Trustee and the Chair of Future2 (the foundation of the Australian Financial Planning Association) and a past Director and Chair of the global Financial Planning Standards Board (FPSB). Steve is currently a Director of Count Financial Planning and joined the G&C Board following the merger with Quay Credit Union in 2016. Steve has a Diploma Financial Planning, Fellow ANZ Insurance Institute, Senior Fellow FINSIA, Member Australian Institute of Company Directors and a graduate of the Advanced Executive Program (Kellogg Institute – Northwestern University).
Dave Taylor	Dave Taylor was the Chief Executive Officer of G&C Mutual Bank between April 2010 - June 2021. Dave has over 30 years of finance industry experience across a wide range of management, consulting and Board roles, including 11 years as a Senior Executive with Credit Union Services Corporation (CUSCAL) and 9 years as

	<p>Managing Director of Finance Industry Consulting Services. Previously the holder of University and Government advisory positions between 1984–1989. Dave has held numerous Directorships in the finance industry, including on the Boards of mutual banks, credit unions, industry superannuation funds and ASX-listed companies, and is currently a Director of CUFSS Limited, ASX-listed Moneyme Limited (MME) and Shared Service Partners Pty Ltd. Dave was also previously a Director of the Australian Payments Clearing Association and a Government-appointed member of the Australian Payment Systems Council. Dave has a BA First Class Honours (Adelaide University) and a Diploma in Advanced Management (Cornell Business School - USA).</p>
Jamie McPhee	<p>Jamie is an experienced C-suite executive and director with over 35 years of experience in Financial Services. He was Chief Executive Officer of ME Bank between Feb 2010 - July 2020. Prior to that he served as an Executive Director of Bendigo and Adelaide Bank Limited and was the Managing Director of Adelaide Bank. Jamie has previously held a number of Board roles including the Chair of SocietyOne, a leading digital finance platform and has also served on the board of the South Australian Cricket Association, Rural Bank and Melbourne Renegades. Jamie has a Bachelor of Civil Engineering (Hons), Masters in Business Administration (Adelaide University) and is a Fellow of the Australian Institute of Company Directors) and a Senior Fellow FINSIA.</p>
Leanne Harris	<p>Leanne has extensive experience in the mutual banking sector, including 36 years with Laboratories Credit Union (LCU). During this time Leanne managed a variety of responsibilities across HR, Compliance, IT and Project Management in her role of Assistant General Manager, prior to serving as General Manager for 7 years until her retirement in October 2022. During her tenure, Leanne oversaw the implementation of a number of key compliance and technology projects. Leanne has a Master of Business Administration (University of Newcastle) and is a Member Australian Institute of Company Directors.</p>
Jo Dodd	<p>Jo is a leading debt capital markets lawyer with more than 20 years' experience. Jo specialises in advising a range of financial institutions and corporates on debt capital markets transactions and regulatory matters. She has a particular focus on regulatory capital and other hybrid securities in both retail and debt markets. Jo's expertise spans all debt capital markets instruments, and includes debt issuance programmes and drawdowns, standalone issuances, retail bond and regulatory capital offerings and liability management transactions. She has extensive experience across developments in financial and prudential regulation, the retail corporate bond market, sustainable finance and digital bonds. Jo is a Partner at Corrs Chambers Westgarth.</p>

The current Directors of **Unity** and **G&C** listed in the table below will not become Directors of the merged bank.

Unity Non-Transferring Directors	G&C Non-Transferring Directors
Darren Gossling	Peter Clarke
Sharon Sewell	Julianne Welbourne
Joanne Masters	

It is proposed that the initial leadership roles of the merged bank’s Board will be as follows:

Chair of Board: Steve Helmich;
Deputy Chair of Board: Mick Doleman

5.12 Interest of officers and other stakeholders in the merger

As indicated under **5.11 Composition of the proposed merged board**, Mick Doleman, Grahame Kelly, Mich-Elle Myers, Mark Watson and Garry Keane will become Directors of **G&C** and will be entitled to annual Director remuneration that is higher than the annual remuneration that they currently receive as Directors of **Unity**.

The post-merger term of office of some of the Directors of the merged bank will be longer than their current term with **Unity** or **G&C**.

Other than as described above or elsewhere in this document:

- ▶ no Director or Officer of either **Unity** or **G&C** has any interest in the proposed transfer of business;
- ▶ no Director, Officer, member or depositor of either **Unity** or **G&C** will receive any compensation, consideration, incentive or benefit in relation to the transfer of business;
- ▶ no Director, Officer, member or depositor of either **Unity** or **G&C** has any agreement that is conditional upon the proposed transfer of business.

5.13 How do members vote on the merger?

The merger will only be approved if members of both **Unity** and **G&C** vote for the transfer resolution to be put to them at the respective Annual General Meetings to be held in November 2024. To approve the transfer proposal a special resolution must be passed which means that at least 75% of the votes cast by both entities’ members, who are eligible to vote and who are present at the meeting, either in person or by proxy, must be in favour of the special resolution. To ensure that the votes of members who attend by proxy are included, the Chairs of **Unity** and **G&C** both intend to demand a poll on the merger special resolution at their respective Annual General Meeting.

If the members of **Unity** and **G&C** do not pass the special resolution approving the transfer proposal then the merger will not proceed. See **5.8 What if the merger does not proceed?** section.

Members can vote:

- ▶ **In person:** Please arrive early if you decide to attend the Annual General Meeting, as you will need to register your attendance on arrival.
- ▶ **By proxy:** Even if you cannot attend the Annual General Meeting, you can vote by completing the Appointment of Proxy form and returning it to us. Voting by proxy is simple and is explained in the Appointment of Proxy form.

If you wish to vote by proxy, please read the Appointment of Proxy form carefully before completing it. It is important that you complete the Appointment of Proxy form correctly otherwise your vote may not be counted.

5.14 What if I have questions about the merger?

The Annual General Meeting will provide a forum for you to raise questions in relation to the proposed merger. The Chair of the Annual General Meeting will act as moderator to facilitate discussion of the proposed transfer of business. No independent moderator will be appointed.

We encourage you to raise any questions that you may have in relation to the merger before the Annual General Meeting. Contact details for both **Unity** and **G&C** are set out in this document.



Schedule 1

Comparison of products

The information in this schedule is provided to assist members in understanding the product and service types that **Unity** and **G&C** offer. It also details the products that will be available for issue from the merged bank after the merger takes effect. Detailed product information including current features, terms, conditions, interest rates, fees and charges can be found at:

Unity Bank: unitybank.com.au

G&C Mutual Bank: gcmutual.bank

The information in this schedule is accurate as at the date of this Member Information Document but is subject to change.

Bank Account Types	Unity	G&C	After the merger
Transaction Accounts			
Retail Transaction Accounts	✓	✓	✓
Business Transaction Accounts	✓	✓	✓
SMSF Accounts	X	✓	✓
Mortgage Offset Accounts	✓	✓	✓
Savings Accounts			
Bonus Saver Accounts	✓	✓	✓
Online Savings Accounts	✓	✓	✓
Cash Management Accounts	✓	✓	✓
Pensioner Savings Accounts	✓	✓	✓
Christmas Savings Accounts	✓	✓	✓
High Yield Online Accounts	✓	X	✓
Term Deposits			
Terms up to 5 years	✓	✓	✓

Loan Types	Unity	G&C	After the merger
Personal and Car Loans			
Car Loan	✓	✓	✓
Personal Loans	✓	✓	✓
Credit Cards			
Low Rate	✓	✓	✓
Platinum with Loyalty Program	X	✓	✓
Low Rate Business	X	✓	✓
Home and Investment Loans			
First Home Buyer	✓	✓	✓
External Refinance Loan	X	✓	✓
Essential Worker	X	✓	✓
Low Rate Variable	✓	✓	✓
Standard Variable	✓	✓	✓
Fixed	✓	✓	✓
Packaged	✓	X	X
Construction Loan	✓	✓	✓
Reverse Mortgage	X	✓	✓
Bridging	✓	✓	✓
Equity Line of Credit	✓	✓	X
Commercial Loans			
Residential Secured	✓	✓	✓
Other Secured	✓	✓	✓
Unsecured/overdraft	✓	✓	✓
Business Equipment	✓	✓	✓
Business Vehicle	X	✓	✓
Strata Management Loans	✓	✓	✓
Guarantee	✓	✓	✓

Features are provided as examples of common transaction account access capabilities that both **Unity** and **G&C** may offer. Not all features are available on all accounts and products issued by the parties. For further details, please see unitybank.com.au and gcmutual.bank

Account Access Facilities	Unity	G&C	After the merger
Statements	✓	✓	✓
Online Statements	✓	✓	✓
Branch Network	✓	✓	✓
Online Banking	✓	✓	✓
Mobile App	✓	✓	✓
Bank@Post	✓	✓	✓
Bpay	✓	✓	✓
Visa Debit Card	✓	✓	✓
ATM/EFTPOS	✓	✓	✓
Periodical Payments	✓	✓	✓
Direct Debits and Credits	✓	✓	✓
NPP/Osko Payments	✓	✓	✓
Digital Wallets (Apple Pay, Google Pay, Android Pay)	✓	✓	✓
Quick Debits	✓	✓	✓
Foreign Currency	✓	✓	✓
Cash Passports	✓	✓	✓
SMS Alerts	✓	✓	✓
SMS One Time Password	✓	✓	✓
Home and Contents Insurance	✓	✓	✓
Caravan, Boat & Car insurance	✓	✓	✓
Landlords Insurance	✓	✓	✓
Life and Income Protection	✓	X	✓
Health Insurance	✓	✓	✓
Financial Planning Services	✓	X	✓

Schedule 2

Changes to fees and charges

Fee	Impact on Unity Members	Impact on G&C Members
Monthly Service Fee	No impact as \$5.00 already <ul style="list-style-type: none"> ▶ New exemption for members that have held their membership for less than 3 months 	Monthly fee Reduced from \$6.00 to \$5.00 <ul style="list-style-type: none"> ▶ New exemptions for members aged 19-25 and over 65 ▶ New exemption where members have zero card based transactions.
Over the counter cash withdrawals at branches	Free already	Reduced from \$1.00 to Free
Replacement Statement Fee	Reduced from \$2.50 to \$2.00	No impact as \$2.00 already
Bank@Post Deposit or Withdrawal	Free already	Reduced from \$3.00 to Free
Cash and Cheque Deposits at an ANZ Branch	No impact as service unavailable	Reduced from \$3.00 to Free
Manual Transfer by staff member	Free already	Reduced from \$5.00 to Free
Direct Debit Dishonour	No impact as \$17.00 already	Reduced from \$20.00 to \$17.00
Direct Debit Honour Fee	Reduced from \$17.00 to \$15.00	No impact as \$15.00 already
QuickDebit Supplier Dishonour Fee	Reduced from \$25.00 to \$20.00	No impact as fee already \$20.00
Inactive Account Fee	Free already	Reduced from \$20.00 to Free

Fee	Impact on Unity Members	Impact on G&C Members
Temporary Daily Limit Increase	Free already	Reduced from \$10.00 to Free
Overdrawn Fee	Reduced from \$21.00 to Free	Free already
Unofficial Agency Transaction Fee	Reduced from "At Cost" to Free	Free already
Card Replacement Fee Australia Overseas	Free already	Reduced from \$10.00 to Free Reduced from \$35.00 to Free
Visa Card Voucher Retrieval	Reduced from \$18.00 to Free	Free already
Visa Card Chrageback	Reduced from \$23.00 to Free	Free already
Recall of Funds	Free already	Reduced from \$55.00 to Free
ATM/EFTPOS Decline	No Impact as fee already \$1.00	Reduced from \$1.50 to \$1.00
ATM Insufficient Funds	No Impact as fee already \$1.00	Reduced from \$1.50 to \$1.00
Visa Emergency Transactions	Amended from \$350 to "At Cost"	No change as already "At Cost"
Card Over limit Fee	Reduced from \$21.00 to Free	Free already
Overseas ATM/Cash Advance	No impact as \$4.00 already	Reduced from \$5.00 to \$4.00
Cheque Deposit Book (ANZ)	Service Unavailable	Reduced from \$25.00 to Free
Bank Cheque	Reduced from \$3.00 (Corporate) and \$15.00 (NAB) to Free	Reduced from \$10.00 to Free
Cheque Deposit Dishonour	Free already	Reduced from \$10.00 to Free
Bank@Post Cheque Dishonour	Reduced from "At Cost" to Free	Reduced from \$25.00 to Free
Stop Payment Fee on Bank Cheque	Free already	Reduced from \$20.00 to Free
Special Clearance	Reduced from \$15.00 - \$45.00 to Free	Free already
Cancellation or Trace of Foreign Transfer	Reduced from \$25.00 to Free	Free already
Foreign Cheque Deposit	Reduced from \$15.00 to Free	Reduced from \$20.00-\$50.00 to Free
Arrears/Late Payment Notices	Reduced from \$20.00 to \$15.00	No impact as already \$15.00
Default Notice	No impact as \$20.00 already	Reduced from \$50.00 to \$20.00
Loan Service Fee	Reduced from \$5.00 to Free	Free already
Redraw Fee	Free already	Reduced from \$30.00 to Free

Business Account Fees

Fee	Impact on Unity Members	Impact on G&C Members
Business Transaction Account	Reduced from \$11.00 to \$10.00 New exemption if members maintain a minimum balance of \$10k which is the combined balance of all deposits and borrowings, at all times throughout the month	No impact as \$10.00 already Exemption already exists
Cash Withdrawal	No impact as already \$0.60	Reduced from \$1.00 to \$0.60
Bank@Post deposit/ Withdrawal	Free already	Reduced from \$3.00 to Free
EFTPOS Transaction	Reduced from \$0.60 to Free	Free already
Deposit Book	Free already	Reduced from \$25.00 to Free
Bank Audit Certificate	Reduced from \$50.00 to Free	Free already



Schedule 3

Differences between Constitutions

Unity Bank	G&C Mutual Bank
Subscription Price	
Issues wholly paid member shares with a \$10 subscription price.	Issues wholly paid member shares with a \$0 subscription price.
Board Composition	
<p>The Board consists of:</p> <ul style="list-style-type: none"> ▶ such number of Elected Directors as determined by the Board; ▶ such number of Board Appointed Directors as determined by the Board (which may include the CEO) <p>subject to the majority of the Directors being Elected Directors.</p>	<p>The Board consists of:</p> <ul style="list-style-type: none"> ▶ up to 7 Elected Directors as determined by the Board; ▶ up to 5 Appointed Directors as determined by the Board (which may include the CEO) <p>subject to the majority of the Directors being Elected Directors.</p>
Minimum Membership for Directors	
A person cannot be an Elected Director if they have not been a member continuously for at least 2 years (including time spent as a member of another company that transfers its business to Unity) at the date nominations close.	No minimum membership period for member to be an Elected Director.
Director Term	
<p>Elected Directors are appointed for a term ending at the 3rd AGM after appointment (or such shorter term as determined under the rotation provisions)</p> <ul style="list-style-type: none"> ▶ Appointed Directors (other than the CEO) are appointed for a term determined by the board of no more than 3 years. ▶ If the CEO is appointed as Director, the term is until ceasing to be CEO, or such earlier date as determined by the Board prior to appointment 	<p>Elected Directors are appointed for a term ending at the 4th AGM after appointment (or such shorter term as determined under the rotation provisions)</p> <ul style="list-style-type: none"> ▶ Appointed Directors (other than the CEO) are appointed for a term determined by the board of no more than 4 years. ▶ If the CEO is appointed as Director, the term is until ceasing to be CEO.

Unity Bank	G&C Mutual Bank
Election Procedure	
Directors are elected by ballot conducted prior to the AGM in accordance with Board approved Voting Procedures (which may include postal or electronic means of voting).	Directors are elected by ballot conducted at the AGM using ballot papers.
Direct Voting	
The Board may allow members to cast votes on a resolution in a members' meeting by direct vote, such as postal or electronic voting.	Does not allow for direct voting.
Customers & Membership Bond	
Unity can only accept deposits from or provide financial accommodation to members, other than bodies that cannot acquire a member share, other ADIs, or any person or class of persons as determined by the Board.	G&C has no restrictions on who its customers can be.
Unity has a common bond of membership. However, due to previous transfers of business from another mutual credit union, the common bond no longer restricts who Unity can accept as a member.	G&C does not have a common bond of membership.

