

UNITY BANK CPS 511 DISCLOSURE STATEMENT

This disclosure statement outlines Unity Bank's remuneration practices as required under Prudential Standard CPS 511 for the financial year ending 30 June 2025, published in compliance with the requirements of the Australian Prudential Regulatory Authority (APRA).

Overview

APRA Prudential Standard CPS 511 – Remuneration requires Authorised Deposit-Taking Institutions (ADIs) which are governed under the *Banking Act 1959 (Cth)* [the Act] to undertake annual disclosure regarding their remuneration practices. As a non-significant financial institution (non-SFI), Unity Bank is required to make the qualitative disclosures as outlined in CPS 511. CPS 511 sets out requirements to ensure entities maintain remuneration arrangements which appropriately incentivise individuals to prudently manage the risks they are responsible for and apply consequences for poor risk outcomes.

Unity Bank is committed to ensuring that its remuneration practices support the Bank's strategic and commercial objectives, including:

- Attracting and retaining suitably skilled and experienced employees;
- Minimising the risk of Unity Bank being exposed to the sudden or unexpected departure of key management personnel;
- Ensuring that the structure of employee remuneration supports the long-term sustainability, financial soundness, risk culture and risk management framework of Unity Bank; and
- Maintaining legal and regulatory compliance and effective management of non-financial and financial risk.

Governance

Unity Bank's Remuneration Policy is an important component of Unity Bank's Risk Management Framework and is reviewed annually by the Board. The Unity Bank Board is responsible for overseeing employee remuneration in accordance with the Remuneration Policy and has appointed a Remuneration Committee that acts in accordance with the responsibilities and functions set out in the Remuneration Committee Charter. The main responsibilities of the Remuneration Committee are:

- To provide advice and recommendations to the Board, in accordance with the objectives, remuneration principles and approval procedures set out in the Board Remuneration Policy, on the remuneration of those individuals and those categories of persons or organisations falling within the definitions of the Board Remuneration Policy;
- To make recommendations to the Board prior to the submission of a member resolution to the Annual General Meeting (AGM), on the amount of aggregate annual remuneration payable to Unity Bank's Non-Executive Directors;
- To conduct regular reviews of, and make recommendations to the Board regarding, any proposed changes to the Board Remuneration Policy or the Remuneration Committee Charter;

- To otherwise implement the Board Remuneration Policy, including by regularly assessing (at least annually) the effectiveness of that Policy in meeting its stated objectives:
- To undertake such other functions in relation to the remuneration arrangements of Unity Bank as the Board may from time-to-time delegate to the Committee; and
- To ensure the Committee has the necessary experience and expertise to undertake its responsibilities, including where required by supplementing its expertise with the engagement of external specialists and advisers.

In the 2025 Financial Year the Remuneration Committee held 7 meetings.

Policy coverage and objectives

Unity Bank's Remuneration Policy applies to those employees in specified roles, meaning senior managers, material risk takers and risk and financial control personnel, which includes the:

- Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer
- Chief Risk Officer
- Chief Information Officer
- Chief Investment Officer
- General Managers

The Board-appointed Remuneration Committee is responsible for assessing (and recommending as required for Board approval) the remuneration arrangements for these designated employees. The remuneration arrangements for these employees must be assessed by the Remuneration Committee in accordance with principles, restrictions and approval procedures set out in the Remuneration Policy.

Remuneration arrangements for specified employees, including initial structuring and contracting of those arrangements, any material changes to those arrangements, and any decision to approve a payment to those employees of a variable remuneration component, must be approved by the Remuneration Committee and the Chief Executive Officer (for direct reports) and endorsed by the Board, following a recommendation from the Remuneration Committee.

In accordance with the Remuneration Policy and applicable employment contracts, the remuneration arrangements for employees in specified roles may include a mix of fixed annual remuneration, as well as variable (short or long term) variable remuneration components.

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Annual reviews of performance are required to be completed by the Chief Executive Officer or Deputy Chief Executive Officer for each employee in a specified role. Performance is measured against established and agreed performance standards and key objectives aligned with Unity Bank's business plan, corporate strategy and risk management framework, setting out the actions, behaviours or results to be achieved to demonstrate satisfactory performance. Reviews assess achievement of both financial and non-financial measures, including responsibility for risk management and compliance.

Following these reviews, recommendations are made to the Board Chair and the Remuneration Committee regarding any proposed increase in fixed Total Annual Remuneration and/or any proposed payment of a short or long term variable remuneration component for an employee in a specified role, including payment of any discretionary performance bonus.

After considering any recommendations made, the Board Chair and the Remuneration Committee then recommend for Board endorsement any proposed increases or changes in the remuneration of those employees in specified roles. The Board maintains overriding discretion of remuneration adjustments and may reduce variable remuneration as it deems appropriate (including to nil).

Consequence management includes the application of malus and clawback mechanisms, and deferrals as required and applied in line with APRA regulations, ensuring compliance with the Financial Accountability (FAR) Act for Accountable Persons at Unity Bank. Any material breaches or misconduct that are identified are addressed in accordance with policy, to ensure consequences are applied consistently and fairly across the organisation.

Compliance

Unity Bank provides agreed fees for Contractor services, which are set out within contractor and service agreements and managed in line with policy and procedures related to third party service providers.

This disclosure is published on the Unity Bank internet site in compliance with CPS 511 and is prepared on a financial year basis for the period 1 July 2024 – 30 June 2025.

Unity Bank remains committed to maintaining a remuneration framework that supports its strategic objectives, promotes sound risk management and upholds the highest standards of conduct and accountability.

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