

2021

Notice of
Annual General Meeting
Australian Unity Limited
ABN 23 087 648 888



We are pleased to give notice that the Annual General Meeting (AGM) of Australian Unity Limited (Company) will be held online at <http://agmlive.link/AusUnity2021> (Online Platform) on Wednesday 27 October 2021 at 2:00pm Australian Eastern Daylight Time (AEDT).

If you have any trouble accessing or using the Online Platform during the AGM, please call 1800 990 363. The AGM will include the following five items of business:

1. Financial statements and reports

To consider, discuss and note the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2021.

For more information, see Item 1 of the Explanatory Notes in this document.

2. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That the Remuneration Report for the financial year ended 30 June 2021 be adopted.'

In accordance with the *Corporations Act 2001* (Cth) (Corporations Act), this vote will be advisory only – the decision will not be binding on the Directors or the Company.

For more information, see Item 2 of the Explanatory Notes in this document.

3. Electing Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

- (a) the re-election of Ms Su McCluskey – who will retire as a Director and, being eligible, offers herself for re-election; and
- (b) the re-election of Mr Greg Willcock – who will retire as a Director and, being eligible, offers himself for re-election.

For more information, see Item 3 of the Explanatory Notes in this document.

4. Non-executive director remuneration cap

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, with effect from 1 January 2022, the aggregate amount of remuneration payable by the Company to non-executive directors in any financial year for their service as non-executive directors shall total no more than \$1,900,000 per financial year (inclusive of any superannuation contributions payable by the Company on behalf of non-executive directors), divided between the non-executive directors in such appropriate manner as determined by the directors.'

For more information, see Item 4 of the Explanatory Notes in this document.

5. Amendment of the Company's constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

'That, with effect from the conclusion of the 2021 AGM of the Company, the constitution of the Company is amended in the manner outlined in the Explanatory Notes to this Notice of Meeting and set out in the amended constitution, tabled by the Chair of the meeting and signed for the purposes of identification.'

For more information, see Item 5 of the Explanatory Notes in this document.



Melinda Honig
Company Secretary
8 September 2021

Further information

1. Australian Unity Guardian Members and Australian Unity Members

Over the past year, the Company's board (Board) has considered the Company's membership eligibility criteria and created two types of membership: 'Australian Unity Guardian Membership' (Guardian Members) and 'Australian Unity Membership' (Australian Unity Members). Guardian Members comprise all members of the Company as at 7 July 2021 and any other members that meet the Board's eligibility criteria for Guardian Membership. Australian Unity Members are those members that meet the Board's eligibility criteria for Australian Unity Membership. Australian Unity Members are not entitled to vote at the AGM.

If you are unsure as to whether you are a Guardian Member or an Australian Unity Member, please go to australianunity.com.au/benefits to create an account to access our member portal. If you already have a member portal account, please visit <https://members.australianunity.com.au/>

2. How to attend the AGM

The AGM will be held on the Online Platform which can be accessed at: <https://agmlive.link/AusUnity2021>.

You can find more information on how to use the Online Platform at australianunity.com.au/companyperformance.

3. How to vote prior to the AGM

Eligible Guardian Members may lodge a proxy online at voteagm.australianunity.com.au

4. How to vote at the AGM

Subject to the requirements in paragraph 5, Eligible Guardian Members or their proxyholders (Proxyholder) can vote at the AGM by accessing the Online Platform at <https://agmlive.link/AusUnity2021> by doing the following:

- if you are an Eligible Guardian Member, entering your 'member number' as printed on your member communications; and
- if you are a Proxyholder, entering your 'proxy code' that Link has provided you no later than 24 hours before the AGM.

More information on how to vote and ask questions online or over the telephone during the AGM is available in the Online Platform Guide at australianunity.com.au/companyperformance.

5. Voting rights

Each Guardian Member of the Company is entitled to one vote, provided they're 'financial' at the close of business on 22 September 2021. To be deemed 'financial', Guardian Members must pay any and all contributions owing by that date. If you meet the criteria in this paragraph 5, you are an 'Eligible Guardian Member'.

If you are an Eligible Guardian Member, you can vote in the following ways:

- **Lodging a Proxy:** you can do this online at voteagm.australianunity.com.au or by submitting a paper proxy form to Link (if you have received one); or
- **Voting online at the AGM:** by participating virtually via the Online Platform. If you do this, we recommend that:
 - you log on to the AGM via the Online Platform at <https://agmlive.link/AusUnity2021> at least 15 minutes before the AGM starts; and
 - if you are an Eligible Guardian Member, please select 'get a voting card' and enter your 'member number'; or
 - if you are a Proxyholder, please click on 'Proxy' and enter your 'proxy code'.

Online voting will be open between the opening of the Online Platform at 1.30pm AEDT on 27 October 2021 and the time that the Chair announces voting closure.

Australian Unity Members are ineligible to vote at the AGM, however, Financial Australian Unity Members, as defined in paragraph 9 below, can attend and speak at the AGM.

More information about online participation at the AGM is available in the Online Platform Guide at australianunity.com.au/companyperformance.

6. Proxies

Eligible Guardian Members have the right to appoint a single proxy who does not need to be a member of the Company. If an Eligible Guardian Member appoints the Chair or Company Secretary and does not specify how they are to vote on an item of business, he or she will vote in favour of the resolution. All proxies must be lodged 48 hours before the AGM, being no later than 2.00pm AEDT on 25 October 2021.

7. Online Proxy Appointment

Eligible Guardian Members may appoint a proxy online via voteagm.australianunity.com.au. If you are exercising a proxy as an attorney, you must electronically declare that you are exercising your power as an attorney in accordance with the relevant Power of Attorney.

8. Paper Proxy Appointment

If an Eligible Guardian Member has received a hard copy proxy form, it can be delivered to Link as follows:

- a) Delivered in person to C/-Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000, subject to public health orders; or
- b) Faxed to (02) 9287 0309; or
- c) Mailed to C/- Link Market Services Limited, Reply Paid 1509 Sydney South NSW 1234.

All hard copy proxy forms must be received by Link no later than 48 hours before the AGM, being no later than 2.00pm AEDT on 25 October 2021. If you are exercising your proxy as an attorney, then you must provide Link with a certified copy of the Power of Attorney or other relevant authority alongside the proxy form.

An Eligible Guardian Member cannot appoint more than one proxy.

9. Documents and Questions

The Company's Annual Report – including the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2021 – will be available at the AGM or members can email memberrelations@australianunity.com.au to request that the Annual Report be emailed or mailed. The Annual Report will be available on australianunity.com.au/companyperformance from mid-late September.

Eligible Guardian Members and Australian Unity Members that meet the 'financial' requirements (Financial Australian Unity Member) in paragraph 5 are entitled to attend and speak at the AGM. The Chair will endeavour to answer as many questions as possible during the AGM and will address the most commonly asked questions in the Chair's address. If you are an Eligible Guardian Member or a Financial Australian Unity Member and you have a question or comment, you can do the following:

- email your question to memberrelations@australianunity.com.au by 5:00pm on 20 October 2021; or
- if you are joining us online via the Online Platform:
 - log on to <https://agmlive.link/AusUnity2021> as per the above instructions; and
 - click on – 'Ask a Question'; or
- ask a question verbally over the telephone at the AGM. If you want to do this, you can join the AGM teleconference line by dialling 1800 798 136 or + 61 1800 798 136 (outside of Australia) at least 10 minutes before the AGM starts. You will need to obtain a personalised PIN to register. To request a PIN please contact Link on 1800 990 363 or +61 1800 990 363 (outside of Australia). If your holding cannot be verified by the telephone moderator, you will attend the AGM as a visitor. To ask a question during the AGM, select star 1 on your telephone keypad. For more information on how to ask questions verbally at the AGM, please read the Online Platform Guide on australianunity.com.au/companyperformance

Explanatory Notes

Item 1—Financial statements and reports

The Financial Report, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2021 will be presented at the AGM (as required by section 317 of the Corporations Act).

While these reports will already have Board approval (meaning they won't require formal member approval), members will be invited to ask questions, make comments and note these reports at the AGM.

Item 2—Remuneration Report

The Remuneration Report for the financial year ended 30 June 2021 is set out in the Annual Report 2021, as part of the Directors' Report. This report will be available on australianunity.com.au/companyperformance from mid-late September.

The Remuneration Report includes:

- a) an explanation of the Company's policy for determining the remuneration of Directors and Executives;
- b) a discussion of the relationship between that policy and the Company's performance; and
- c) details of the performance conditions associated with the remuneration of Directors and Executives.

As outlined in the Corporations Act, the vote on this resolution is advisory only – the result will not be binding on the Directors or the Company. However, members will be given a reasonable opportunity to ask questions and make comments on the report, and the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Directors' recommendation

The Directors unanimously recommend that Eligible Guardian Members vote in favour of the resolution in Item 2.

Item 3—Electing Directors

Rule 4.3(a) of the Company's constitution states that Directors are elected for a term of three years.

Su McCluskey has served as a Director for the past three years without re-election. She will retire at the end of the AGM and offer herself for re-election. Her profile is set out following this section.

Greg Willcock has also served as a Director for the past three years without re-election. He will retire at the end of the AGM and offer himself for re-election. His profile is set out following this section.

This resolution will involve two separate votes, each recorded as a separate item in the minutes:

- a) the first vote, to re-elect Su McCluskey as a Director; and
- b) the second vote, to re-elect Greg Willcock as a Director.

Directors' recommendation

The remaining Directors, who are not up for re-election as part of this item, support these elections and recommend that Eligible Guardian Members vote in favour of re-electing Su and Greg.

Note: these resolutions are proposed as ordinary resolutions. These resolutions will only be passed if at least 50 percent of the votes—cast by or on behalf of Eligible Guardian Members who are present at the AGM (including those who have appointed proxies who are present at the meeting) and who are entitled to vote—are cast in favour of the resolution.

Item 4 – Non-executive director remuneration cap

At the 2017 AGM of the Company, the Company's members approved a resolution setting an aggregate limit of non-executive director remuneration at \$1,485,000 per financial year, regardless of the number of directors, with the Board to decide how that aggregate remuneration is to be apportioned between directors.

Since the approval of the resolution at the 2017 AGM of the Company, the total annual remuneration paid to non-executive directors has remained within the \$1,485,000 aggregate limit.

In the four years since the 2017 resolution, the Australian Unity Group (Group) has grown substantially and has become significantly more complex. This is evidenced, in part, by the progression of the Herston Quarter development, and the continued investment in social infrastructure projects and the growth of the home care and retirement and aged care businesses.

The legislative and regulatory environment that the Group operates in has also become increasingly complex, as evidenced by the outcomes of various Royal Commissions that impact the Group's businesses. As such, this has required the Group to implement an array of complex legislative changes, which has significantly increased directors' time-commitment and the number of meetings they are required to attend. Management of the COVID-19 pandemic, in particular ensuring that the Group's aged care residents are kept safe, has also increased the role and time commitment of directors.

The proposed increase to the non-executive director remuneration cap:

- a) provides the Board with added flexibility to appoint an additional director, allowing the Group to further enhance its 'best practice' governance models;
- b) ensures that the Board has the right levels of diversity, skill and experience appropriate for the breadth and depth of the Company; and
- c) ensures that the Board is adequately positioned to review, and respond to, emerging risks presented to the Group.

Under Rule 4.14(a) of the Company's constitution, this aggregate limit may only be raised with approval of members at a general meeting.

Note: this resolution is proposed as an ordinary resolution. This resolution will only be passed if at least 50 percent of the votes—cast by or on behalf of Eligible Guardian Members who are present at the AGM (including those who have appointed proxies who are present at the meeting) and who are entitled to vote—are cast in favour of the resolution.

Directors' recommendation

The Directors unanimously recommend that Eligible Guardian Members vote in favour of the resolution in Item 4.

Item 5 – Amendment of the Company's constitution

At the 2019 AGM, members approved the amendment of the constitution to provide for the issue of mutual capital instruments (MCI).

In December 2020, the Company issued \$120 million of MCIs which are listed on the Australian Securities Exchange (ASX:AYUPA). Each MCI was issued for \$100.

The Company is now seeking member approval to amend the constitution to provide ongoing flexibility to the Company to issue future MCIs within the same series of MCIs.

Rule 3.4(f) of the constitution currently states:

The Board may determine and set out in the terms of issue of an MCI that the MCI confers on its holder the right in a winding up of the Company to payment in priority to the holders of ordinary shares and to Non Shareholder Members of:

- (1) the amount of any dividend accrued but unpaid on the MCI at the date of winding up; and
- (2) any additional amount specified in the terms of issue, limited to the issue price of the MCI.

The Company is seeking to delete the reference to 'issue price' and replace it with a reference to 'face value'. The amendment would be to Rule 3.4(f)(2) of the constitution as follows:

- (2) any additional amount specified in the terms of issue, limited to the ~~issue price~~ **face value** of the MCI.

The MCIs on issue have a face value of \$100 and an issue price of \$100. The face value is used to calculate the dividend payable on MCIs and is the amount that an MCI holder is entitled to receive as a capital payment on MCIs if the Company was ever wound up. The terms of the MCIs (Terms) provide that future issues of MCIs may be at an issue price that is more or less than face value. This flexibility was included in the Terms to allow the Company to make future issues of MCIs at an issue price which has regard to the then current trading price of MCIs.

Since listing on ASX, MCIs have traded above their issue price and face value at a price between \$104.50 and \$110.01, based on ASX closing prices. Any future issue of MCIs is likely to be at a discount to the then current trading price and may be at an issue price that is more or less than the face value of MCIs.

Without the amendment to the constitution, the Company would not have the flexibility to issue MCIs at less than face value in response to the MCI trading price, as those MCIs would be entitled to receive face value which would be greater than the issue price, as a capital return, if the Company was ever wound up.

If the amendment to the constitution is not made, the Company will still be able to issue a new series of MCIs that would trade on ASX however, that series of MCIs would be separate to the existing MCIs and would trade at a separate price on ASX. The Company considers that having separate series of MCIs in that circumstance would be a less efficient way of raising capital, would be more complex to administer and may confuse investors.

Additionally, approval is sought to amend Rule 5.5(f) of the constitution to make it unambiguously clear that the Company is permitted to hold wholly virtual general meetings. This amendment is proposed due to the uncertainty caused by the COVID-19 pandemic and to give the Company further flexibility to hold wholly virtual general meetings if considered appropriate.

If Eligible Guardian Members pass Item 5, the amendment to the constitution referred to above will take effect at the conclusion of the 2021 AGM.

Note: this resolution is proposed as a special resolution. This resolution will only be passed if at least 75 percent of the votes—cast by or on behalf of Eligible Guardian Members who are present at the AGM (including those who have appointed proxies who are present at the meeting) and who are entitled to vote—are cast in favour of the resolution.

Directors' recommendation

The Directors unanimously recommend that Eligible Guardian Members vote in favour of the resolution in Item 5.

Directors' Profiles



Ms Su McCluskey

BCom, FCPA, MAICD

Ms McCluskey was appointed to the Board on 1 September 2015. She is a director of a number of Australian Unity Limited subsidiaries, Chair of the Risk & Compliance Committee and a member of the Audit Committee, the Investment Committee and the People, Culture & Remuneration Committee. Ms McCluskey is also a director of The Foundation for Young Australians, the Australasian Pork Research Institute, the NSW Rice Marketing Board and Energy Renaissance. Ms McCluskey is a Commissioner for the Australian Commission for International Agricultural Research and a member of the Australian Live Exporters' Council Conduct Committee.

She was a member of the Charities Review, the Harper Review of Competition Policy, the Regional Telecommunications Review and a Commissioner for the National COVID-19 Commission Advisory Board.

Ms McCluskey was previously the Chief Executive Officer of the Regional Australia Institute and the Executive Director of the Office of Best Practice Regulation. She has held senior positions with the Business Council of Australia, the National Farmers' Federation and the Australian Taxation Office. She is also a beef cattle farmer.



Mr Greg Willcock

BCom, FCPA, FAICD, FFin

Mr Willcock was appointed to the Board of Australian Unity Limited on 1 March 2012. He is a director of a number of Australian Unity Limited subsidiaries and a member of the Risk & Compliance Committee and the Audit Committee.

Mr Willcock is also a director of Australian Unity Investments Real Estate Limited which is the responsible entity for the listed Australian Unity Office Fund. Greg has over 33 years' experience in banking and financial services in Australia, United States of America and the United Kingdom including seven years in general management roles at National Bank of Australia in the areas of risk management, strategy and change management.

Mr Willcock was previously a director of the Customer Owned Banking Association (COBA) and was a director and chairman of Big Sky Credit Union.

Annual Report


Australian Unity's 2021 Annual Report will be available on the Company's website, australianunity.com.au/companyperformance from mid-late September.


Contact us

+ 61 1300 682 744

australianunity.com.au

memberrelations@australianunity.com.au

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