

# Remuneration report

This remuneration report relates to the Company's performance for the year ending 30 June 2023 including all incentives payable in respect of that performance. The report is structured as follows:

- Key Management Personnel (KMP)
- Compensation Framework Overview
- Compensation Governance and Risk
- 2023 Senior Executive Compensation
- Non-executive Directors' Compensation

This remuneration report sets out the remuneration information for Australian Unity Limited and the entities it controls (Australian Unity or Group) for the year ending 30 June 2023.

It has been prepared and audited as required by the *Corporations Act 2001* (the Act). The report covers all Key Management Personnel (KMP) of the Group.

Dear Member

On behalf of the board, I am pleased to present Australian Unity's Remuneration Report for the year ended 30 June 2023.

## Performance and Compensation outcomes for the 2023 financial year

FY23 was a year in which we continued to make good progress in advancing our strategic objectives for long lasting and sustaining impact for the Group. We observed extraordinary efforts right across our business to protect the safety and wellbeing of our customers, members and employees while maintaining strong business performance and effective risk management.

Against a challenging economic and policy backdrop, we completed building two residential aged care communities, established and progressed significantly our Home Health platform, and continued to grow our financial products and funds under management. More broadly, we grew our impact across our priority areas of lifelong wellness, economic empowerment, and our contribution to strong communities.

The board acknowledges these efforts and the resulting outcomes and has made awards of variable compensation for FY23. These are in accordance with the principles set out in our compensation framework and recognise both financial and non-financial outcomes. This decision reflects the value we place on the contributions and achievements of our people and acknowledges the important role they collectively played in confronting the many challenges over the period.

## Future Focus

In an era of a dynamic and constantly changing employment markets, the board will continue to assess the effectiveness of our compensation arrangements to ensure they are consistent with the long-term interests of Australian Unity and its members, and that we are able to attract, motivate, and retain talent across our diverse businesses.

I offer my sincere thanks to all our people for their untiring efforts and ongoing commitment over the past year.

Yours faithfully,



**Melinda Cilento**  
Chair – People, Culture & Remuneration Committee

## Section 1 - Key Management Personnel

This remuneration report outlines the compensation arrangements in place and outcomes achieved for Australian Unity's Key Management Personnel (KMP) during 2023.

Australian Unity's KMP are those people who have responsibility for planning, directing, and controlling the activities of Australian Unity Limited and the Group, either collectively (in the case of the board) or as individuals acting under delegated authorities (in the case of the Group Managing Director and certain Group Executives).

References to 'senior executive' in this report means the Group Managing Director and all executives who report to the Group Managing Director. All KMP, other than non-executive directors, are also senior executives.

The following table includes names and positions of the individuals who were KMP during 2023.

**Table 1 - KMP**

| Non-executive Directors      | Position               | Term      | Key Management Personnel     | Position                           | Term      |
|------------------------------|------------------------|-----------|------------------------------|------------------------------------|-----------|
| Lisa Chung <sup>1</sup>      | Chair                  | Full year | Rohan Mead                   | Group Managing Director & CEO      | Full year |
| Melinda Cilento <sup>2</sup> | Deputy Chair           | Full year | Prudence Bowden <sup>7</sup> | Group Executive Home Health        | Part year |
| Lucinda Brogden <sup>3</sup> | Non-executive Director | Part year | Esther Kerr-Smith            | CEO Wealth & Capital Markets       | Full year |
| Paul Kirk                    | Non-executive Director | Full year | Darren Mann                  | Group Executive Finance & Strategy | Full year |
| Su McCluskey                 | Non-executive Director | Full year | Christine Yates              | CEO Retail                         | Full year |
| Helen Nott <sup>4</sup>      | Non-executive Director | Part year | Kevin McCoy <sup>8</sup>     | CEO Independent & Assisted Living  | Part year |
| Julien Playoust              | Non-executive Director | Full year |                              |                                    |           |
| Peter Promnitz <sup>5</sup>  | Chair                  | Part year |                              |                                    |           |
| Greg Willcock <sup>6</sup>   | Non-executive Director | Part year |                              |                                    |           |

<sup>1</sup> Lisa Chung appointed as Chair 26 October 2022.

<sup>2</sup> Melinda Cilento appointed as Deputy Chair 26 October 2022.

<sup>3</sup> Lucinda Brogden appointed as Non-executive Director 8 September 2022.

<sup>4</sup> Helen Nott appointed as Non-executive Director 8 September 2022.

<sup>5</sup> Peter Promnitz retired as Chair and Non-executive Director 26 October 2022.

<sup>6</sup> Gregory Willcock retired as Non-executive Director 7 September 2022.

<sup>7</sup> Prudence Bowden commenced in the position of Group Executive - Home Health 12 September 2022.

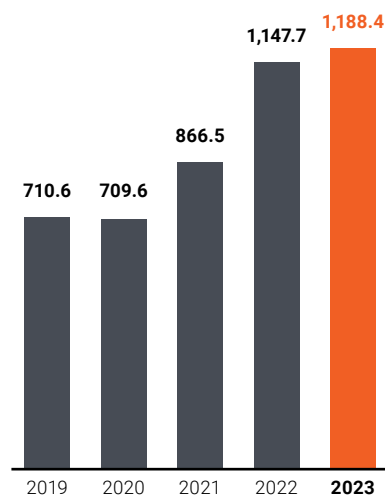
<sup>8</sup> Kevin McCoy ceased employment as the CEO Independent & Assisted Living on 9 September 2022.

**Table 2 - Five year Performance**

The table below outlines Australian Unity's performance over the last five years against key metrics.

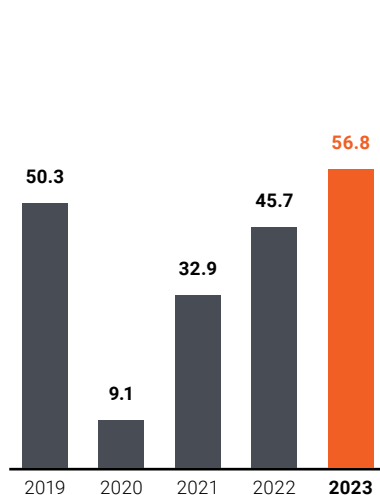
### Members' funds (\$m)<sup>†</sup>

**\$1,188.4 million**



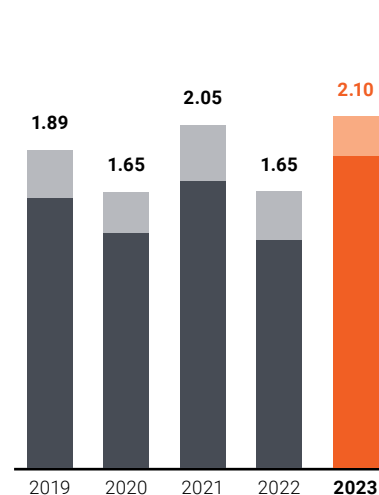
### Profit after income tax (\$m)

**\$56.8 million**



### Revenues (\$b)<sup>†</sup>

**\$2.10 billion**



<sup>†</sup> Members' funds: net assets of the Group attributable to members.

<sup>†</sup> Revenues: comprise revenue and other income receipts (shown as the bottom section of the bar chart) as shown in the Consolidated statement of comprehensive income in the Annual Report, excluding discontinued operations, plus life insurance contract premium receipts (shown as the top section of the bar chart). The latter receipts are recorded as movements in benefit fund policy liabilities in the balance sheet and not through the Consolidated statement of comprehensive income.

## Section 2 - Compensation Framework Overview

### 2.1 Guiding Principles

Our senior executive compensation framework is designed to:



Align with members and customers



Attract, motivate, and retain senior executive talent as a key component of our broader employee value proposition



Focus on the achievement of a balance of financial and non-financial outcomes aligned to our strategic direction



Support prudent risk management and conduct

### 2.2 Compensation Structure

Our senior executive compensation structure comprises both fixed and variable components, including short-and-long-term variable compensation. The structure seeks to ensure a balance between individual compensation and the long-term sustainability of the Group while also supporting applicable regulatory expectations.

Australian Unity also makes available certain other non-monetary benefits through salary packaging, wellbeing, and community related benefits. All benefits are structured in accordance with the appropriate legislation, including taxation legislation. Details of any such benefits to KMP during the year under review are set out in section 4.2.

The following sections 2.3 to 2.5 set out additional information related to fixed and variable compensation.

### 2.3 Fixed Compensation

The following table outlines details relating to senior executive fixed compensation.

| Feature | Description   |
|---------|---|
| Purpose | <ul style="list-style-type: none"><li>Provides market competitive compensation to attract and retain talent while reflecting role scope and accountabilities.</li></ul>                             |
| What    | <ul style="list-style-type: none"><li>Composed of base salary and benefits including superannuation.</li><li>Paid regularly during performance year.</li></ul>                                      |
| How     | <ul style="list-style-type: none"><li>Set on commencement in role at a market competitive level for role scope and accountabilities and individual experience.</li><li>Reviewed annually.</li></ul> |

### 2.4 Short-Term Variable Compensation Key Features

The following table outlines key features of the 2023 financial year short-term variable compensation award (referred to as the Senior Leader Variable Compensation Program) for senior executives.

| Feature                     | Description  |
|-----------------------------|--|
| Purpose                     | <ul style="list-style-type: none"><li>Recognise achievement of a balance of financial and non-financial performance goals on an annual basis.</li></ul>  |
| Participants                | <ul style="list-style-type: none"><li>Group Managing Director and Senior Executives.</li></ul>   |
| Percentage Opportunity      | <ul style="list-style-type: none"><li>In the year under review, Senior Executive opportunity ranged from 56.5% to 75.0% of fixed compensation consistent with individual contracts of employment.</li></ul>  |
| Performance Assessment      | <ul style="list-style-type: none"><li>Assessment of achievement of individual performance goals and given a rating of either 'not delivering', 'delivering', 'exceeding' or 'inspiring'.</li></ul>   |
| Values Assessment           | <ul style="list-style-type: none"><li>Assessment of demonstration of behaviours aligned to Australian Unity's values.</li></ul>  |
| Risk and Conduct Assessment | <ul style="list-style-type: none"><li>Assessment of whether individual has 'met expectations', 'partially met expectations' or 'not met expectations' of the risk and conduct requirements for their role.</li><li>A risk assessment outcome less than 'met expectations' results in variable compensation being reduced to zero.</li></ul>  |
| Funding                     | <ul style="list-style-type: none"><li>Each year the Australian Unity Board determines available short-term variable compensation funding for the financial year based on Group performance assessed equally on financial and non-financial indicators of performance set annually by the board.</li><li>Performance indicators are not formulaic in determination of Group performance and short-term variable compensation funding but inform the judgement of the board.</li><li>Financial affordability checks apply to ensure minimum financial performance requirements are met prior to any funding being made available to ensure Australian Unity's long term financial soundness and consistent with the attainment of risk appetite.</li></ul> |

| Feature                 | Description  |
|-------------------------|--|
| Calculation of Outcome  | <ul style="list-style-type: none"> <li>Fixed Compensation X Percentage Opportunity X Individual Performance Multiple X Group Performance Multiple.</li> </ul>  |
| Deferral                | <ul style="list-style-type: none"> <li>Short-term variable compensation deferral takes into consideration any long-term variable compensation awarded ensuring the total amount of variable compensation deferred meets applicable regulatory requirements (e.g., Banking Executive Accountability Regime).</li> <li>Short-term variable compensation payable in any one year cannot exceed 1x a senior executive's fixed compensation. Any amount more than this limit is deferred and paid in future years.</li> </ul>   |
| Cessation of Employment | <ul style="list-style-type: none"> <li>In general, unless otherwise determined by the board, a senior executive who ceases employment due to: <ul style="list-style-type: none"> <li>Resignation or termination of employment for cause by Australian Unity, will forfeit eligibility to short-term variable compensation for the current financial year and forfeit any deferred variable compensation amounts from prior years.</li> <li>Redundancy or retirement will remain eligible to receive short-term variable compensation for the current financial year. Any deferred variable compensation amounts from prior years, that have not yet met the applicable deferral end date will remain payable subject to those existing restrictions (including deferral dates timings).</li> </ul> </li> </ul> |

## 2.5 Long-Term Variable Compensation Key Features

The following table outlines key features of the 2023 financial year long-term variable compensation award for senior executives.

| Feature                 | Description   |
|-------------------------|---|
| Purpose                 | <ul style="list-style-type: none"> <li>Drives collective focus on achievement of long-term strategic objectives aligned with member and customer value creation.</li> </ul>   |
| Participants            | <ul style="list-style-type: none"> <li>Group Managing Director and Senior Executives, as determined at each grant by the board.</li> </ul>  |
| Opportunity             | <ul style="list-style-type: none"> <li>A Senior Executive's long-term variable compensation quantum is determined at the discretion of the board on an annual basis and does not form part of individual contractual arrangements.</li> </ul>   |
| Instrument              | <ul style="list-style-type: none"> <li>Rights to Mutual Capital Instruments which convert to Mutual Capital Instruments upon satisfaction of the Vesting Conditions at the Vesting Date.</li> </ul>   |
| Vesting Period          | <ul style="list-style-type: none"> <li>The Vesting Date is four years from the date the grant of the Right to an MCI as approved by the board (or such other period prescribed by law or regulatory authority).</li> </ul>  |
| Vesting Conditions      | <ul style="list-style-type: none"> <li>Unless otherwise determined by the board at its discretion or forfeited in accordance with the terms and conditions of the program, a Right to an MCI will vest and convert into an MCI subject to the continued employment (or following redundancy or retirement) of the senior executive at the Vesting Date.</li> </ul>  |
| Dividend Entitlement    | <ul style="list-style-type: none"> <li>Rights to Mutual Capital Instruments do not carry any rights to receive dividends prior to the Vesting Date.</li> <li>Unless otherwise determined by the board, on the vesting date, the participant will be entitled to receive a dividend equivalent payment in cash for the relevant number of Rights to Mutual Capital Instruments that vest.</li> <li>The payment will be calculated by reference to the actual dividends paid on Mutual Capital Instruments from the date of the issue of the Right to relevant Mutual Capital Instruments to the Vesting Date.</li> </ul>   |
| Cessation of Employment | <ul style="list-style-type: none"> <li>In general, unless otherwise determined by the board, a senior executive who ceases employment due to: <ul style="list-style-type: none"> <li>Resignation or termination of employment for cause by Australian Unity, will forfeit eligibility to any Rights to Mutual Capital Instruments that have not met relevant vesting conditions.</li> <li>Redundancy or retirement will remain eligible to receive any Rights to Mutual Capital Instruments that have not met relevant Vesting Conditions subject to the terms and conditions of the Program (including Vesting Dates, and clawback/malus provisions).</li> </ul> </li> </ul> |

## Section 3 – Compensation Governance and Risk

### 3.1 Governance

The Australian Unity Board is responsible for our compensation framework and its effective application. The board is also responsible for making decisions on the compensation of senior executives and does so with the assistance and advice of the People, Culture & Remuneration Committee (PCR Committee).

The PCR Committee is a committee of the board of Australian Unity Limited and oversees the performance management framework and overall compensation arrangements for Australian Unity in accordance with the Australian Unity Remuneration Policy and the PCR Committee Charter which sets out the committee's responsibilities and processes.

### 3.2 External Advisors

The PCR Committee may engage with external advisors to assist when making compensation decisions.

Except for a review supporting the letter attached to this report from Guerdon Associates that compensation paid to KMP is appropriate—the board did not use compensation consultants during FY23.

### 3.3 Compensation and Risk

We seek to implement and govern effective compensation practices that compensate performance in a manner that is appropriate and consistent with member, customer, and regulatory expectations, including the requirements under Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 511 Remuneration (CPS 511) and the Banking Executive Accountability Regime (BEAR).

We manage risks associated with delivering, assessing, and rewarding short-term and long-term performance by:

- Allowing the board to adjust variable compensation outcomes downwards, to zero if appropriate, if such adjustments are necessary to protect the financial soundness of Australian Unity, to respond to significant unexpected or unintended consequences that were not foreseen, or in response to instances of systemic risk and conduct failures leading to reputational or financial damage.
- The PCR Committee jointly meet with the Risk & Compliance Committee at least once per calendar year to discuss risk and compliance matters including, but not limited to, risk culture, consequence management issues, and effective management of financial and non-financial risks that could materially impact Australian Unity's risk profile, performance, and long-term soundness. The board will make appropriate adjustment to variable compensation outcomes commensurate with the management of those risks.
- Ensuring that all senior executives have a stand-alone risk and conduct assessment included in their overall performance assessment (referred to as Risk and Conduct Gateway). Assessment indicates whether the individual has 'met expectations,' 'partially met expectations' or 'not met expectations' of the risk and conduct requirements for their role. A risk assessment outcome less than 'met expectations' results in variable compensation being reduced to zero.
- The deferral of an appropriate portion of the variable compensation of individuals with senior executive responsibility for functions which may affect the financial soundness or reputation of the Group (including those prescribed under BEAR) and individuals who may receive a significant proportion of total compensation as variable compensation.
- Allowing the board to reduce (including to zero) deferred variable compensation amounts not yet paid (malus) or recover variable compensation amounts already paid (clawback) subject to applicable legal limitations.

## Section 4 – 2023 Senior Executive Compensation

### 4.1 Short-term variable compensation outcomes

The following table shows details of 2023 short-term variable compensation awarded, payable and deferred.

| Name                         | Variable compensation opportunity<br>\$ | Actual as a percent of opportunity<br>% | 2023 Actual |               |                             |
|------------------------------|---|---|-------------|---------------|-----------------------------|
|                              |   |   | Total<br>\$ | Payable<br>\$ | Deferred <sup>1</sup><br>\$ |
| <b>Executive director</b>    |   |   |             |               |                             |
| Rohan Mead                   | 966,300                                 | 64%                                     | 618,000     | 618,000       | -                           |
| <b>Other executive KMP</b>   |   |   |             |               |                             |
| Prudence Bowden <sup>2</sup> | 353,224                                 | 85%                                     | 301,943     | 301,943       | -                           |
| Esther Kerr-Smith            | 539,000                                 | 49%                                     | 266,000     | 266,000       | -                           |
| Darren Mann                  | 406,000                                 | 68%                                     | 276,000     | 276,000       | -                           |
| Christine Yates              | 469,000                                 | 32%                                     | 150,000     | 150,000       | -                           |

<sup>1</sup> Maximum payable subject to ongoing performance.

<sup>2</sup> The variable compensation disclosed for Ms Bowden is the portion that relates to her activities since being appointed a KMP.

## 4.2 Senior executive statutory compensation disclosures for the year ended 30 June 2023

| Name   | Year | Fixed                    |                                      |   | Variable                                 |   |                                     | Termination benefits | Total statutory compensation | Increase/ (decrease) in long service leave provision <sup>3</sup> |
|--|------|--------------------------|--------------------------------------|---|--|---|-------------------------------------|----------------------|------------------------------|---|
|  |      | Cash salary <sup>1</sup> | Non-monetary benefits <sup>1,4</sup> | Superannuation contributions <sup>2</sup> | Cash payable (current year) <sup>1</sup> | Cash payable (prior years' deferred) <sup>3</sup> | Rights to deferred MCI <sup>5</sup> |                      |                              |   |
|  |      | \$                       | \$                                   | \$  | \$                                       | \$  | \$                                  | \$                   | \$                           | \$  |
| <b>Executive director</b>  |      |                          |                                      |   |  |   |                                     |                      |                              |   |
| Rohan Mead, Group Managing Director  | 2023 | 1,255,252                | 1,000                                | 25,292                                    | 618,000                                  | -   | 205,628                             | -                    | 2,105,172                    | (6,709)   |
|  | 2022 | 1,224,554                | 1,000                                | 23,568                                    | 750,773                                  | -   | 51,596                              | -                    | 2,051,491                    | (46,559)  |
| <b>Other executive KMP</b>   |      |                          |                                      |   |  |   |                                     |                      |                              |   |
| Prudence Bowden (appointed Group Executive - Home Health 12 September 2022) <sup>6</sup>         | 2023 | 455,890                  | -                                    | 18,969                                    | 301,943                                  | -   | 73,977                              | -                    | 850,779                      | 11,153  |
| Esther Kerr-Smith  | 2023 | 739,657                  | 1,000                                | 25,292                                    | 266,000                                  | -   | 122,288                             | -                    | 1,154,237                    | 11,244  |
|  | 2022 | 718,057                  | 1,000                                | 23,568                                    | 416,826                                  | -   | 30,683                              | -                    | 1,190,134                    | 4,152   |
| Darren Mann  | 2023 | 606,605                  | -                                    | 25,292                                    | 276,000                                  | -   | 92,147                              | -                    | 1,000,044                    | 6,721   |
|  | 2022 | 535,191                  | -                                    | 23,568                                    | 314,047                                  | -   | 23,122                              | -                    | 895,928                      | (6,417)   |
| Christine Yates  | 2023 | 631,491                  | -                                    | 25,292                                    | 150,000                                  | -   | 100,505                             | -                    | 907,288                      | 3,646   |
|  | 2022 | 585,988                  | -                                    | 23,568                                    | 321,185                                  | -   | 25,218                              | -                    | 955,959                      | 960   |
| <b>Executive KMP whose employment ceased in 2023</b>   |      |                          |                                      |   |  |   |                                     |                      |                              |   |
| Kevin McCoy (ceased as Chief Executive Officer - Independent & Assisted Living 9 September 2022) | 2023 | 142,867                  | 192                                  | 6,323                                     | -  | -   | 24,443                              | 118,374              | 292,199                      | (80,831)  |
|  | 2022 | 738,376                  | 1,000                                | 23,568                                    | 254,829                                  | -   | 51,639                              | 742,910              | 1,812,322                    | (40,069)  |
| <b>Total</b>   | 2023 | 3,831,762                | 2,192                                | 126,460                                   | 1,611,943                                | -   | 618,988                             | 118,374              | 6,309,719                    | (54,776)  |
|  | 2022 | 3,802,166                | 3,000                                | 117,840                                   | 2,057,660                                | -   | 182,258                             | 742,910              | 6,905,834                    | (87,933)  |

1 Short-term benefits.

2 Post-employment benefits.

3 Long-term benefits.

4 Non-monetary benefits refers to salary packaged benefits such as motor vehicles, and some health insurance and car parking deductions.

5 Rights to deferred MCI granted under the executive long-term variable compensation scheme are expensed over the performance period, which includes the year to which the grant relates and the subsequent vesting period of the rights.

6 The compensation disclosed for Ms Bowden is the portion that relates to her activities since being appointed a KMP.

From time-to-time KMP or their close family members may purchase or subscribe to the various products or securities offered by the Group. These transactions are on the same terms and conditions as those applying to other Group employees or customers and are trivial or domestic in nature.

### 4.3 Performance related compensation statutory table

The table below provides an analysis of the non-performance related fixed compensation and performance related variable compensation components of the compensation mix of executive KMP as detailed in the statutory remuneration table at section 4.2.

|   |      | Performance related  |                            |                                |                               |                             |
|---|------|----------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|
| Name  | Year | Fixed compensation % | Cash short-term variable % | Deferred short-term variable % | Deferred long-term variable % | Total performance related % |
| Executive director                            |      |                      |                            |                                |                               |                             |
| Rohan Mead                                    | 2023 | 61                   | 29                         | 0                              | 10                            | 39                          |
|   | 2022 | 61                   | 37                         | 0                              | 2                             | 39                          |
| Other executive KMP                           |      |                      |                            |                                |                               |                             |
| Prudence Bowden <sup>1</sup>                  | 2023 | 56                   | 35                         | 0                              | 9                             | 44                          |
| Esther Kerr-Smith                             | 2023 | 66                   | 23                         | 0                              | 11                            | 34                          |
|   | 2022 | 62                   | 35                         | 0                              | 3                             | 38                          |
| Darren Mann                                   | 2023 | 63                   | 28                         | 0                              | 9                             | 37                          |
|   | 2022 | 62                   | 35                         | 0                              | 3                             | 38                          |
| Christine Yates                               | 2023 | 72                   | 17                         | 0                              | 11                            | 28                          |
|   | 2022 | 64                   | 34                         | 0                              | 2                             | 36                          |
| Executive KMP whose employment ceased in 2023 |      |                      |                            |                                |                               |                             |
| Kevin McCoy                                   | 2023 | 86                   | 0                          | 0                              | 14                            | 14                          |
|   | 2022 | 71                   | 24                         | 0                              | 5                             | 29                          |

<sup>1</sup> The performance related compensation disclosed for Ms Bowden is the portion that relates to her activities since being appointed a KMP.

### 4.4 Overview of deferred short-term variable compensation

The following table shows details of deferred variable compensation that has been awarded but which has yet to vest, including their maximum value on vesting.

| Name   | Deferred variable short-term compensation            |   |  |  |   |
|--|--|---|--|--|---|
|  | Date when deferred variable compensation was awarded | Financial year for which the deferred variable compensation will be fully payable | Maximum total value of deferred variable compensation \$ | Proportion of deferred variable compensation payable % | Proportion of deferred variable compensation not earned % |
| <b>Executive director</b>                            |  |   |  |  |   |
| Rohan Mead   | 1 September 2021                                     | 2025  | 215,739  | -  | -   |
| <b>Other executive KMP</b>                           |  |   |  |  |   |
| Prudence Bowden                                      | 1 September 2021                                     | 2025  | 84,760   | -  | -   |
| Esther Kerr-Smith                                    | 1 September 2021                                     | 2025  | 116,435  | -  | -   |
| Darren Mann  | 1 September 2021                                     | 2025  | 93,500   | -  | -   |
| Christine Yates                                      | 1 September 2021                                     | 2025  | 86,250   | -  | -   |
| <b>Executive KMP whose employment ceased in 2023</b> |  |   |  |  |   |
| Kevin McCoy <sup>1</sup>                             | 7 September 2022                                     | 2024  | 119,886  | -  | -   |
|  | 1 September 2021                                     | 2025  | 122,250  | -  | -   |

<sup>1</sup> The deferred short-term variable compensation granted to Mr McCoy prior to his ceasing to be a KMP will be retained until the applicable deferred variable vesting date.

#### 4.5 Overview of deferred long-term variable compensation – rights to deferred MCI

The following table shows details of rights to deferred MCI granted, vested, and forfeited during the year.

| Name   | Grant date      | Granted rights No. | Granted value \$ | Vested No | Vested % | Forfeited No. | Forfeited % | Financial year for vesting |
|--|-----------------|--------------------|------------------|-----------|----------|---------------|-------------|----------------------------|
| <b>Executive director</b>                            |                 |                    |                  |           |          |               |             |                            |
| Rohan Mead   | 28 October 2022 | 4,153              | 361,269          | -         | -        | -             | -           | 2027                       |
|  | 31 January 2022 | 911                | 93,833           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 2,733              | 281,499          |           |          |               |             | 2025                       |
| <b>Other executive KMP</b>                           |                 |                    |                  |           |          |               |             |                            |
| Prudence Bowden <sup>1</sup>                         | 28 October 2022 | 2,031              | 176,677          | -         | -        | -             | -           | 2027                       |
|  | 31 January 2022 | 386                | 39,758           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 1,158              | 119,274          |           |          |               |             | 2025                       |
| Esther Kerr-Smith                                    | 28 October 2022 | 2,470              | 214,865          | -         | -        | -             | -           | 2027                       |
|  | 31 January 2022 | 541                | 55,723           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 1,626              | 167,478          |           |          |               |             | 2025                       |
| Darren Mann  | 28 October 2022 | 1,861              | 161,888          | -         | -        | -             | -           | 2027                       |
|  | 31 January 2022 | 408                | 42,024           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 1,225              | 126,175          |           |          |               |             | 2025                       |
| Christine Yates                                      | 28 October 2022 | 2,030              | 176,590          | -         | -        | -             | -           | 2027                       |
|  | 31 January 2022 | 445                | 45,835           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 1,336              | 137,608          |           |          |               |             | 2025                       |
| <b>Executive KMP whose employment ceased in 2023</b> |                 |                    |                  |           |          |               |             |                            |
| Kevin McCoy <sup>2</sup>                             | 31 January 2022 | 185                | 19,055           | -         | -        | -             | -           | 2026                       |
|  | 31 January 2022 | 557                | 57,371           | -         | -        | -             | -           | 2025                       |

There has been no alteration to the terms and conditions of the grants since the grant dates.

<sup>1</sup> The rights granted to Ms Bowden in January 2022 were granted prior to her appointment as a KMP.

<sup>2</sup> The rights granted to Mr McCoy prior to his ceasing to be a KMP will be retained until the applicable deferred MCI vesting date.

#### 4.6 Executive KMP MCI holdings

The following table provides details of the number of MCI held (directly and nominally) by each executive KMP of Australian Unity or their related parties (their close family members or any entity they, or their close family members, control or significantly influence).

| Name                                | Balance at the beginning of the year No. | Received during the year on vesting of rights to deferred MCI No. | Other changes during the year No. | Balance at the end of the year No. |
|-------------------------------------|--|---|-----------------------------------|------------------------------------|
| <b>Executive director</b>           |  |   |                                   |                                    |
| Rohan Mead, Group Managing Director | 2,000                                    | -   | -                                 | 2,000                              |
| <b>Other executive KMP</b>          |  |   |                                   |                                    |
| Prudence Bowden                     | -  | -   | -                                 | -                                  |
| Esther Kerr-Smith                   | -  | -   | -                                 | -                                  |
| Darren Mann                         | 100                                      | -   | -                                 | 100                                |
| Christine Yates                     | -  | -   | -                                 | -                                  |

#### 4.7 Employment arrangements

The following table provides the prescribed details in relation to the relevant executives' contract terms.

| Name                                | Contract type <sup>1</sup> | Employee initiated notice period | Employer initiated notice period <sup>2</sup> | Termination benefits <sup>3</sup> |
|-------------------------------------|----------------------------|----------------------------------|---|-----------------------------------|
| Rohan Mead, Group Managing Director | Permanent                  | 6 months                         | 12 months                                     | none                              |
| Prudence Bowden                     | Permanent                  | 6 months                         | 6 months                                      | none                              |
| Esther Kerr-Smith                   | Permanent                  | 6 months                         | 6 months                                      | none                              |
| Darren Mann                         | Permanent                  | 6 months                         | 6 months                                      | none                              |
| Christine Yates                     | Permanent                  | 6 months                         | 6 months                                      | none                              |

<sup>1</sup> A permanent contract continues until notice is given by either party.

<sup>2</sup> Payment in lieu of notice may be made and the Group's redundancy policies may also apply.

<sup>3</sup> Entitlement to variable remuneration is set out in sections 2.4 and 2.5 above.

## Section 5 - Non-Executive Directors' Compensation

### 5.1 Fee policy and pool

Australian Unity's constitution and board charter require that directors meet a variety of standards to be eligible to remain directors of the board. These include meeting stringent 'fit and proper' standards under legislation and prudential standards. The constitution also provides that non-executive directors are to be paid fees (compensation) for their services as directors, subject to the aggregate fees not exceeding the annual sum last approved at a general meeting.

Non-executive director fees are reviewed annually by the board considering the duties, responsibilities and demands on directors, organisation performance, trends, industry standards and fees paid by comparable organisations. No variable compensation or options are payable to non-executive directors.

Members last approved an increase in the aggregate fees payable to non-executive directors at the 2021 Annual General Meeting on 27 October 2021. At that meeting members approved the sum of up to \$1.9 million in aggregate fees per financial year. This increase in the sum approved took effect from 1 January 2022.

The total directors' fees for the year ended 30 June 2023 was \$1.6 million.

Details of individual non-executive director allowances, payments and entitlements are set out in following tables.

### 5.2 Non-executive director compensation for the year ended 30 June 2023

|   | Fixed |                                |   |  |                             |
|---|-------|--------------------------------|---|--|-----------------------------|
|   |       | Cash salary <sup>1</sup><br>\$ | Non-monetary<br>benefits <sup>1,3</sup><br>\$ | Superannuation<br>contributions <sup>2</sup><br>\$ | Total<br>compensation<br>\$ |
| Name  | Year  |                                |   |  |                             |
| Chair   |       |                                |   |  |                             |
| Lisa Chung, Chair<br>(appointed Chair 26 October 2022)                    | 2023  | 296,511                        | 231   | 23,136   | 319,878                     |
|   | 2022  | 161,364                        | -   | 16,136   | 177,500                     |
| Other non-executive directors   |       |                                |   |  |                             |
| Melinda Cilento, Deputy Chair<br>(appointed Deputy Chair 26 October 2022) | 2023  | 171,946                        | -   | 18,054   | 190,000                     |
|   | 2022  | 161,364                        | -   | 16,136   | 177,500                     |
| Lucinda Brogden   | 2023  | 143,509                        | -   | 15,068   | 158,577                     |
| Paul Kirk   | 2023  | 211,443                        | -   | 22,176   | 233,619                     |
|   | 2022  | 200,341                        | -   | 20,034   | 220,375                     |
| Su McCluskey  | 2023  | 174,416                        | -   | 15,584   | 190,000                     |
|   | 2022  | 162,545                        | -   | 13,655   | 176,200                     |
| Helen Nott  | 2023  | 147,363                        | -   | 15,468   | 162,831                     |
| Julien Playoust   | 2023  | 172,918                        | -   | 18,054   | 190,972                     |
|   | 2022  | 161,364                        | -   | 16,136   | 177,500                     |
| Non-executive directors who ceased in 2023                                |       |                                |   |  |                             |
| Peter Promnitz (retired 26 October 2022)                                  | 2023  | 113,234                        | 307   | 9,618  | 123,159                     |
|   | 2022  | 331,432                        | 1,000   | 23,568   | 356,000                     |
| Gregory Willcock (retired 7 September 2022)                               | 2023  | 32,074                         | 192   | 3,368  | 35,634                      |
|   | 2022  | 161,364                        | 1,000   | 16,136   | 178,500                     |
| Total non-executive director remuneration                                 | 2023  | 1,463,414                      | 730   | 140,526  | 1,604,670                   |
|   | 2022  | 1,339,774                      | 2,000   | 121,801  | 1,463,575                   |

<sup>1</sup> Short-term benefits.

<sup>2</sup> Post-employment benefits.

<sup>3</sup> Non-monetary benefits refers to salary packaged benefits such as health insurance deductions.

In addition to the amounts above, Mr. Willcock received director fees from Australian Unity Investments Real Estate Limited (AUIREL), a related entity, during the relevant periods.

Mr. Willcock was specifically appointed as a director of AUIREL by reference to his capacity to facilitate AUIREL's fulfilment of its duties as a responsible entity of a listed investment scheme. As such, the fees paid to Mr. Willcock during his time as a KMP are for his skills and experience in his capacity as a director of AUIREL and are not referable to his role as a director of the Company.

|   |      | Fixed      |                               |                    |
|---|------|------------|-------------------------------|--------------------|
|   |      | Cash fees¹ | Superannuation contributions² | Total remuneration |
| Name  | Year | \$         | \$                            | \$                 |
| Non-executive directors                         |      |            |                               |                    |
| Gregory Willcock<br>(retired 7 September 2022)³ | 2023 | 16,533     | 1,736                         | 18,269             |
|   | 2022 | 87,568     | 6,996                         | 94,564             |
| Total non-executive directors                   |      |            |                               |                    |
|   | 2023 | 16,533     | 1,736                         | 18,269             |
|   | 2022 | 87,568     | 6,996                         | 94,564             |

1 Short-term benefits.

2 Post-employment benefits.

3 Mr Willcock retired as an Australian Unity KMP on 7 September 2022 but remains a director of AUIREL. The 2023 remuneration disclosed in the above table relates to the period when he was an Australian Unity KMP.

### 5.3 Non-executive director MCI holdings

The following table provides details of the number of MCI held (directly and nominally) by each non-executive director of Australian Unity or their related parties (their close family members or any entity they, or their close family members, control or significantly influence).

| Name                                 | Balance at the beginning of the year<br>No. | Changes during the year<br>No. | Balance at the end of the year<br>No. |
|--------------------------------------|---|--------------------------------|---------------------------------------|
| <b>Chair</b>                         |   |                                |                                       |
| Lisa Chung                           | 750   | -                              | 750                                   |
| <b>Other non-executive directors</b> |   |                                |                                       |
| Lucinda Brogden                      | -   | -                              | -                                     |
| Melinda Cilento                      | -   | -                              | -                                     |
| Paul Kirk                            | -   | -                              | -                                     |
| Su McCluskey                         | 1,600                                       | -                              | 1,600                                 |
| Helen Nott                           | -   | -                              | -                                     |
| Julien Playoust                      | -   | -                              | -                                     |