

Australian Unity Limited

ABN 23 087 648 888

271 Spring Street
Melbourne VIC 3000

T 13 29 39

W australianunity.com.au

Dear Member,

Offer of Series C Australian Unity Bonds - Tranche 1 and Series D Australian Unity Bonds - Tranche 1

Australian Unity is pleased to provide eligible investors with the opportunity to invest in Series C Australian Unity Bonds - Tranche 1 and Series D Australian Unity Bonds - Tranche 1 (Bonds). The Bonds are new debt securities to be issued by Australian Unity and are expected to be quoted on the ASX. Australian Unity intends to raise a total aggregate amount of \$250 million with the ability to raise more or less subject to a minimum raise of \$50 million.

Series C Australian Unity Bonds - Tranche 1 and Series D Australian Unity Bonds - Tranche 1 will have tenors of approximately five years and seven years respectively. Holders of Bonds will be entitled to receive quarterly interest payments and repayment of the Face Value when the Bonds mature. The interest rate for each series of Bonds will be the floating Market Rate plus the fixed margin which is expected to be in the range of 2.00 percent to 2.20 percent per annum for Series C Australian Unity Bonds - Tranche 1 and 2.15 percent to 2.35 percent per annum for Series D Australian Unity Bonds - Tranche 1. The Margin for each series of Bonds will be determined following completion of the Bookbuild and may be outside these ranges.

Australian Unity is using the proceeds of the Offer to refinance the Series B Australian Unity Bonds - Tranche 1 that participate in the Reinvestment Offer and for general corporate purposes. The Bonds will improve and lengthen Australian Unity's debt maturity profile.

Eligible Members of Australian Unity can apply for Series D Australian Unity Bonds - Tranche 1 under the Member Offer. The minimum Application under the Member Offer is \$2,000. The Member Offer is scheduled to open on 17 September 2019 and close on 8 October 2019. It is possible that the Offer may close early, so if you wish to apply for Bonds, you are encouraged to consider submitting your Application as soon as possible after the Offer opens. The Offer also comprises a Broker Firm Offer, an Institutional Offer and a Reinvestment Offer. Under the Reinvestment Offer, Eligible Series B Australian Unity Bonds - Tranche 1 (AYUHB) holders can apply to reinvest all, or some, of their existing AYUHB in either Series C Australian Unity Bonds - Tranche 1 or Series D Australian Unity Bonds - Tranche 1. The Reinvestment Offer is scheduled to open on 17 September 2019 and close on 8 October 2019.

Full details of the Offer and the Bonds, including the terms of issue of the Bonds and the risks associated with the Offer, the Bonds and Australian Unity, are set out in the Offer Documents. The Offer Documents consist of both a Base Prospectus incorporating general information about Australian Unity and an Offer Specific Prospectus which specifically

relates to the Offer and includes additional detail on the terms of the Bonds, timing and how to apply. You must read the Offer Documents carefully before deciding whether to invest in Bonds.

Anyone wishing to apply for Bonds must either complete and return the Application Form included in or accompanying the Offer Documents, or apply online.

If you have any questions about the Bonds or the Offer, you should seek advice from your financial adviser or other professional adviser.

You can also call the Australian Unity Bonds Information Line on 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) Monday to Friday 8.30am – 5.30pm during the Offer Period.

On behalf of the Board of Australian Unity, I invite you to consider this new investment opportunity.

Yours faithfully



Peter Promnitz
Chair
Australian Unity Limited

Important information

This letter is not, and should not be considered to be, a recommendation to apply for Bonds, financial product advice or an offer of, or invitation to apply for, Bonds. The Offer is made in the Offer Documents. The information in this letter is general only and does not take into account your investment objectives, financial situation or particular needs. In deciding whether to apply for Bonds, you should read the Offer Documents, including the replacement Offer Specific Prospectus which will include the Margin for each series of Bonds and the application form, carefully and in their entirety and seek advice from your financial or other professional adviser.

An investment in Bonds is subject to investment risk, including possible loss of income and principal invested and risks in relation to Australian Unity. No member of the Australian Unity Group guarantees the value or performance of Bonds, the repayment of your investment or any particular rate of return. The Bonds are unsecured notes for the purposes of section 283BH of the Corporations Act.