

The directors and management of Big Sky believe the proposed merger will be in the overall best interests of members for the following reasons:

| Benefits of the merger  | How benefits would be delivered in a merger   |
|---|---|
| <p><b>The capacity to improve prices and increase services</b></p> <ul style="list-style-type: none"> <li>Improved deposit interest rates</li> <li>Improved loan interest rates.</li> </ul> | <p>The improved scale based efficiencies of the merger will initially be reflected through improved pricing as follows:</p> <ul style="list-style-type: none"> <li>A 0.10% interest rate increase, relative to the then current pricing, may be applied to all customers who have an on line savings account; and</li> <li>A 0.25% interest rate reduction, relative to the then current pricing, may be applied to all customers who have a loan.</li> </ul> <p>Further information in relation to eligibility will be provided, if the merger proceeds.</p>   |
| <p><b>Better transaction packages</b></p>   | <p>Transaction fees will be amended to:</p> <ul style="list-style-type: none"> <li>Introduce free and unlimited RediATM transactions for members where the withdrawal amount is over \$200;</li> <li>Increase the current number of free RediATM transactions from four to eight for withdrawal amounts below \$200;</li> <li>Introduce free and unlimited EFTPOS transactions for all members; and</li> <li>Remove the current fee of \$25 for members wishing to have cheque books.</li> </ul>  |
| <p><b>Access to new products and services</b></p>   | <ul style="list-style-type: none"> <li>Develop a new on-line mortgage product with better pricing; and</li> <li>Big Sky customers have more convenient access to information and support regarding a range of products and services provided by the Australian Unity Group, including health insurance, investments and retirement living.</li> </ul>   |
| <p><b>Bring together two highly complementary businesses to create an even stronger mutual organisation.</b></p>  | <ul style="list-style-type: none"> <li>Big Sky has a 40 year history of being a mutual organisation;</li> <li>Australian Unity has a 170 year history of being a mutual organisation; and</li> <li>Together this brings significant experience, knowledge and understanding of the philosophy and culture of how to service and support members and customers.</li> </ul>   |
| <p><b>Enhanced financial strength of the combined organisation</b></p>  | <ul style="list-style-type: none"> <li>The merger enhances the opportunities for Big Sky to continue to grow whilst providing a continuing strong basis for managing risk;</li> <li>As part of a larger combined organisation Big Sky is also likely to have improved flexibility in its capital management;</li> <li>As part of a larger combined organisation Big Sky is likely to have access to improved capacity, which may assist its ability to provide competitively priced services for members;</li> <li>Big Sky members would immediately have access to a service centre in Adelaide; and</li> <li>An intention to progressively establish new service centres - with the plan to establish these in Western Australia, Queensland and Victoria over time.</li> </ul> |
| <p><b>Expanded service centre network</b></p>   | <ul style="list-style-type: none"> <li>Big Sky members would immediately have access to a service centre in Adelaide; and</li> <li>An intention to progressively establish new service centres - with the plan to establish these in Western Australia, Queensland and Victoria over time.</li> </ul>   |
| <p><b>Greater capacity to deliver financial advice solutions</b></p>  | <ul style="list-style-type: none"> <li>Acquire financial planning businesses to support Big Sky customers; and</li> <li>Consider other acquisitions where they are in the best interests of the organisation and customers.</li> </ul>  |
| <p><b>Greater development opportunities for Big Sky employees</b></p>   | <ul style="list-style-type: none"> <li>Big Sky employees would be part of the Australian Unity Group and have the ability to further develop their careers in a broader mutual organisation;</li> <li>Big Sky employees would have access to professional development programs already in existence within the Australian Unity Group; and</li> <li>These benefits have the potential to contribute to continuous improvement of service for members.</li> </ul>  |