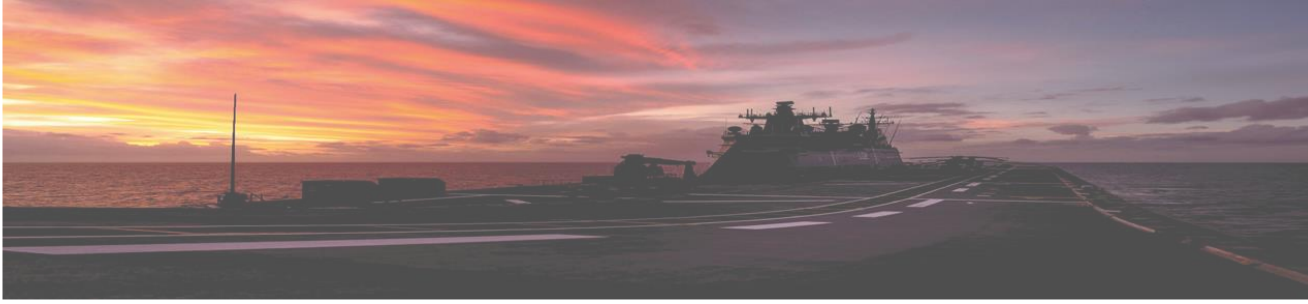
Operational Policy – Managing unreasonable member behaviour.

Owner: Chief Member & Marketing Officer
Effective date: 24 February 2026
Version: 2.0.

Defence Bank Limited ABN 57 087 651 385 | AFSL/Australian Credit Licence 234582

Contents.



Why this is important.

1. This Operational Policy – Managing Unreasonable Member Behaviour provides guidance to customers and employees relating to Defence Bank's procedures to manage the individuals whose actions and behaviour we consider unreasonable.
2. Defence Bank is committed to providing a safe and respectful environment for members and employees. This policy outlines expectations for member behaviour and the steps Defence Bank will take to manage aggression, abuse, or unreasonable conduct.
3. While most of our valued members interact with us in a polite and courteous manner, this policy explains our procedures to manage the individuals whose actions we consider unreasonable.
4. The aims of this policy are to:
    - define the behaviours that are not acceptable to Defence Bank,
    - ensure that our employees are able to conduct business and not be adversely affected by those few individuals who behave in an unreasonable manner,
    - make sure our employees have a safe working environment and are not exposed to unnecessary stress, and
    - empower our employees to deal confidently and effectively with unreasonable behaviour.
5. We value respectful and constructive communication and aim to resolve issues wherever possible. This Policy is designed to balance the bank's responsibility to support our members with our obligation to provide a safe and respectful environment for our employees and others.

Who this applies to and when.

6. This policy applies to anyone who communicates with Defence Bank, our employees, customers, members of the public, complainants and individuals or companies who are representing complainants.
7. This policy applies to all interactions with Defence Bank employees, whether in person, by phone, online, or in writing.
8. It applies to any place where a Defence Bank employee is undertaking work at a different location (such as a member's home or community event) or engaging in a work-related activity (such as a work-related corporate event).

Requirements.

9. Defence Bank will not tolerate behaviour that threatens the safety, wellbeing, or dignity of our employees or other members. Aggressive, abusive, or unreasonable behaviour may result in restricted services or account closure.

Behaviour not considered unreasonable.

10. Defence Bank recognises that members may at times communicate with us while experiencing vulnerability, distress, or hardship. This may include circumstances such as mental health challenges, financial hardship, family or domestic violence, illness, or other significant personal stressors.

11. Behaviour will not be considered unreasonable solely due to a member's tone, persistence, emotional expression, or level of dissatisfaction, provided the behaviour does not involve abuse, threats, harassment, discrimination, or conduct that puts at risk the safety, health or wellbeing of Defence Bank employees or others.

12. Defence Bank aim to apply this Policy in a fair, respectful and proportionate way, while continuing to support members experiencing difficult circumstances.

What behaviour is unreasonable?

13. We understand that there may be times when members contact us because they feel upset, frustrated or distressed. We are committed to listening and assisting wherever we can.

14. However, behaviour is considered unreasonable where it is aggressive, abusive, or places at risk the safety, health or wellbeing of our employees, other members, or the broader community, or where it places unreasonable demands on our employees.

Examples of aggressive and abusive behaviour.

15. Some examples of what we consider to be unreasonable behaviour are provided below.

16. Aggressive or abusive behaviour and language (verbal or written) is unreasonable and it may cause our employees and/or other people including another customer, to feel bullied, intimidated, threatened, or abused.

    - Threats.
    - Verbal abuse.
    - Physical abuse, including physical threats of any nature.
    - Inappropriate physical contact.
    - Using our products, accounts, and online banking services in a way that harms others or perpetuates financial abuse. This includes using language in any transaction narrative that is harassing, offensive, threatening, intimidating, abusive, or that causes or encourages physical or mental harm to another person or promotes violence against any person.
    - Causing any damage to Defence Bank property, including staff property.
    - Racist, discriminatory, or sexist language.
    - Derogatory remarks.
    - Offensive language.
    - Any form of harassment of a Defence Bank employee or representative.

- Making unfounded or defamatory statements about Defence Bank or a Defence Bank employee or representative in a public forum.
- Making malicious allegations against Defence Bank or a Defence Bank employee or representative.

Unreasonable requests and communication.

17. Requests may be considered unreasonable by the nature and scale of service expected. For example:
    - Requesting responses within unreasonable timeframes
    - Insisting on only speaking with certain employees where that request is not reasonable, or the member has been advised the employee is unable to speak to them
18. Communication may be considered unreasonable if you:
    - Continually contact us while we're in the process of investigating or seeking to resolve an issue you've raised with us, and we have provided you with a clear indication of how we'll keep you informed of our progress
    - Refusing to cooperate, clarify an issue or matter, despite reasonable offers of assistance;
    - Seeking unreasonable resolutions without allowing us to investigate and identify the root cause;
    - Contact or attempt to contact individual employees via phone or text outside of business operating days/hours and expect a response immediately or within an unreasonable timeframe
    - Contact us numerous times about the same matter which we've responded to, without raising new issues
    - Refuse to accept the response to a decision, where the explanation for the decision has been given and you've been informed that you're able to raise a complaint to an external dispute resolution body if you disagree with the decision or our final response
    - Continue to pursue Defence Bank with complaints or issues which have already been investigated and a decision or explanation has been provided to you.
    - Continue to raise new complaints arising from the same set of facts that have already been investigated and a decision has been provided to you.

How will Defence Bank manage unreasonable behaviour?

19. Defence Bank is committed to providing a safe and respectful environment for our employees and members. All Defence Bank employees have the right to manage interactions where behaviour becomes unreasonable.
20. Where behaviour is considered aggressive, abusive or offensive, we may:
    - ask the individual to stop the behaviour and explain why it is unacceptable
    - end the interaction if the behaviour continues

- request that the individual deal with a different employee
- ask the individual to leave a Defence Bank branch or office
- provide a written warning outlining expected standards of behaviour.

Service restrictions.

21. Where behaviour continues despite warnings, Defence Bank may apply service restrictions that are proportionate to the nature, extent and impact of the behaviour.
22. In serious or repeated cases, Defence Bank may decide to end its banking relationship with a member. Where this occurs, we will notify the member in writing and provide a notice period before the termination takes effect.
23. Defence Bank may also take steps not outlined in this policy where appropriate.
24. Defence Bank has zero tolerance for violence, threats or inappropriate physical contact. Serious incidents may be reported to relevant authorities.

Review of decisions.

25. Where Defence Bank applies service restrictions or decides to end a banking relationship under this Policy, the member may request a review of the decision. Any review will be conducted by a senior employee who was not previously involved in the matter.
26. The review will consider whether this Policy has been applied fairly and appropriately based on the information available at the time. The outcome of the review will be communicated in writing.

Access to external dispute resolution.

27. Nothing in this Policy limits a member's right to lodge a complaint with the Australian Financial Complaints Authority (AFCA) or any other external dispute resolution body, or to exercise any legal rights available to them.

Safety measures.

28. The following safety measures will be deployed in Defence Bank Locations.
    - Display signage in branches stating zero tolerance for abuse.
    - Use call scripts and recorded messages to reinforce expectations.
    - Provide staff training on de-escalation and reporting procedures.

Reporting & documentation.

29. All incidents must be logged in the CRM and escalated according to severity. Managers will review patterns of behaviour and determine appropriate actions.
30. The Chief People Officer will also review all reported incidents of unreasonable behaviour.

Roles and responsibilities.

Position.	Responsibilities.
Chief Member & Marketing Officer (Policy Approver)	Making sure this Policy meets the Bank's operational requirements. Monitoring its application and making sure this Policy stays relevant and up to date. Agreeing with the CEO, how often this Policy must be reviewed and making sure it is reviewed at least annually. Approving any non-material changes to this Policy (e.g. a change to the Key Contact). Making sure that any changes to this Policy are well communicated (including to regulators if required) and that everyone who needs to follow this Policy understands the changes. Giving assurance to the CEO at least annually that this Policy is adequate and effective.
Head of Contact Centre Distribution (Key Contact)	Reviewing this Policy at least annually and if ever things change so that it should be reviewed earlier. Making sure this Policy is available to everyone who must follow it and easy to get, and that people are reminded about it when they should be. Making sure people are properly trained about this Policy and their responsibilities under it. Monitoring compliance with this Policy and giving assurance to the Approver about how effectively it is working.
Manager Member Advocacy (Key Contact)	Helping the Policy Owner meet their responsibilities by interpreting the Policy, providing training and expert advice, and answering questions about the Policy.
Chief People Officer	Monitoring the application of this policy in accordance with the Bank's Work Health and Safety Policy and legislative obligations to our employees.
Chief Executive Officer	Approving or rejecting any material changes to this Policy, making sure it is adequate and appropriate. If appropriate, telling the Document Owner to make any amendments that the CEO thinks are necessary.
Executives and employees	Following this Policy and Defence Bank procedures.
Managers	Following this Policy and Defence Bank procedures.

Breaches.

31. If you breach this Policy, Defence Bank may take disciplinary action against you. This will depend on the circumstances, including if your breach is deliberate, how bad it is and if you have done it before. Disciplinary action could include a warning, dismissal, or Defence Bank ending its business relationship with you.
32. If you break the law, you might face criminal or civil liability.
33. If you become aware of a breach of this Policy, tell the Head of Contact Centre Distribution and Chief Member & Marketing Officer.

Contacts for questions and more information.

34. This Policy is owned by the Chief Member & Marketing Officer (CMMO). If you have any questions or would like more information about this Policy, you should contact the CMMO or one of the key contacts in the policy.

Document information.

Effective from	24 February 2026
Owner	Chief Member & Marketing Officer
Approver	Chief Executive Officer
Next review due	01 February 2028
Entities this applies to.	Defence Bank Limited, its subsidiaries and any other entity or joint venture which it controls (collectively **Defence Bank**) except those which have been given exemption as shown below
Exemptions	N/A
Related documents	Key documents that should be read in conjunction with this Policy: • Harassment, Discrimination and Bullying Policy • Code of Conduct Policy • Whistleblower Protection Policy • Internal process

Document history.

Version.	Date.	Amended by.	Details of amendment.
#1	01/11/2024	Manager – Member Advocacy	New policy – initial version
#2	24/02/2026	Manager – Member Advocacy	Updated Policy, content and format reviewed.