

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme HomeCo Daily Needs REIT (HDN)

ACN/ARSN 645 086 620

**1. Details of substantial holder (1)**

Name Spotlight Group Holdings Pty Ltd (**SGH**) (ACN 113 517 990) and each of the persons set out in Annexure A (each a **Substantial Holder**).

ACN/ARSN (if applicable)

The holder became a substantial holder on 26/11/2020

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4)              | Number of securities | Person's votes (5) | Voting power (6) |
|--------------------------------------|----------------------|--------------------|------------------|
| Fully paid ordinary units<br>(Units) | 58,114,537           | 58,114,537         | 12.03%           |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest  | Nature of relevant interest (7)  | Class and number of securities |
|--|--|--------------------------------|
| DBT Nominees Pty Ltd as trustee for the Danewell Business Trust ( <b>DBT</b> ) | <p>DBT holds a 10.71% interest in Home Investment Consortium Company Pty Ltd (<b>HICC</b>) and the Home Investment Consortium Trust (<b>HICT</b>).</p> <p>DBT is deemed to have "voting power" in HICC of more than 20% by virtue of a Term Sheet entered into by each HICC shareholder (<b>Term Sheet</b>).</p> <p>As a result, DBT is deemed to have a relevant interest in all Units held by Home Investment Consortium Company Pty Ltd (<b>HICC</b>) under section 608(3)(a) of the <i>Corporations Act 2001</i> (Cth) (<b>Act</b>).</p> <p>HICC has a relevant interest under section 608(1)(a) of the Act as the registered holder of 31,116,412 Units and under sections 608(1)(b) and 608(1)(c) of the Act as the sole shareholder of HICC 2 Pty Ltd (<b>HICC2</b>) which is holds 15,560,856 Units as bare trustee for the Home Acquisition Trust. HICT is also the sole beneficiary of the Home Acquisition Trust.</p> <p>A copy of the Term Sheet is set out in Annexure B.</p> | 46,677,268 Units               |

|   |   |                  |
|---|---|------------------|
| DBT   | Relevant interest under sections 608(1)(b) and (c) of the Act as the beneficial owner of Units.   | 6,523,183 Units  |
| Spotlight Superannuation Pty Ltd ( <b>SS</b> ) as trustee for the Spotlight Provident Fund ( <b>SPF</b> ) | Relevant interest under section 608(3)(b) of the Act as the sole unitholders of the Danewell Business Trust.  | 53,200,451 Units |
| Morry Fraid ( <b>MF</b> )<br>Vivienne Fried ( <b>VF</b> )   | Relevant interest under section 608(3)(b) of the Act as the sole members of SPF.  | 53,200,451 Units |
| SGH   | Relevant interest under section 608(3)(b) of the Act as the sole shareholder of both DBT Nominees Pty Ltd and SS.   | 53,200,451 Units |
| Isaac Jacob Fried ( <b>IJF</b> )<br>MF  | Under section 608(3)(b) of the Act, both IJF and MF are deemed to have a relevant interest in all Units in which SGH has a relevant interest as IJF and MF jointly control SGH. | 53,200,451 Units |
| Frilara Pty Ltd ( <b>Frilara</b> ) as trustee for the Fried Alara Family Trust                            | Relevant interest under sections 608(1)(b) and (c) of the Act as the beneficial owner of Units.   | 2,604,710 Units  |
| IJF<br>VF   | Relevant interest under section 608(3)(b) of the Act as a joint holder of all the shares on issue in Frilara.   | 2,604,710 Units  |
| IF Nominees Pty Ltd ( <b>IF Nominees</b> ) as trustee for the IF Family Trust                             | Relevant interest under sections 608(1)(b) and (c) of the Act as the beneficial owner of Units.   | 18,703 Units     |
| IJF   | Relevant interest under section 608(3)(b) of the Act as IJF controls IF Nominees.   | 18,703 Units     |
| Fralara Pty Ltd ( <b>Fralara</b> ) as trustee for the Fralara Investment Trust                            | Relevant interest under sections 608(1)(b) and (c) of the Act as the beneficial owner of Units.   | 2,245,673 Units  |
| Jarush Pty Ltd ( <b>Jarush</b> ) as trustee for the Jarush Child Maintenance Trust                        | Relevant interest under sections 608(1)(b) and (c) of the Act as the beneficial owner of Units.   | 45,000 Units     |
| MF  | Relevant interest under section 608(3)(b) of the Act as the sole shareholder of each of Fralara and Jarush.   | 2,290,673 Units  |

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest    | Registered holder of securities                               | Person entitled to be registered as holder (8)           | Class and number |
|--------------------------------|---|--|------------------|
| DBT, SS, SPF, MF, VF, IJF, SGH | HICC as trustee for HICT                                      | HICC as trustee for HICT                                 | 31,116,412 Units |
| DBT, SS, SPF, MF, VF, IJF, SGH | HICC 2 Pty Ltd as bare trustee for the Home Acquisition Trust | HICC as trustee for HICT                                 | 15,560,856 Units |
| DBT, SS, SPF, MF, VF, IJF, SGH | HSBC Custody Nominees (Australia) Limited                     | DBT  | 6,523,183 Units  |
| Frilara, IJF, VF               | HSBC Custody Nominees (Australia) Limited                     | Frilara as trustee for the Fried Alara Family Trust      | 2,604,710 Units  |
| IF Nominees, IJF               | HSBC Custody Nominees (Australia) Limited                     | IF Nominees as trustee for the IF Family Trust           | 18,703 Units     |
| Fralara, MF                    | HSBC Custody Nominees (Australia) Limited                     | Fralara as trustee for the Fralara Investment Trust      | 2,245,673 Units  |
| Jarush, MF                     | HSBC Custody Nominees (Australia) Limited                     | Jarush as trustee for the Jarush Child Maintenance Trust | 45,000 Units     |

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest    | Date of acquisition | Consideration (9) |                                | Class and number of securities |
|--------------------------------|---------------------|-------------------|--------------------------------|--------------------------------|
|                                |                     | Cash              | Non-cash                       |                                |
| DBT, SS, SPF, MF, VF, IJF, SGH | 26 November 2020    |                   | In specie capital distribution | 53,200,451 Units               |
| Frilara, IJF, VF               | 26 November 2020    |                   | In specie capital distribution | 725,010 Units                  |
|                                |                     | \$1.33 per Unit   |                                | 1,879,700 Units                |
| IF Nominees, IJF               | 26 November 2020    |                   | In specie capital distribution | 18,703 Units                   |
| Fralara, MF                    | 26 November 2020    |                   | In specie capital distribution | 365,973 Units                  |
|                                |                     | \$1.33 per Unit   |                                | 1,879,700 Units                |
| Jarush, MF                     | 26 November 2020    |                   | In specie capital distribution | 45,000 Units                   |

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A                               |                       |

**7. Addresses**

The addresses of persons named in this form are as follows:

| Name                          | Address  |
|-------------------------------|--|
| SGH                           | Level 1, 199 Toorak Road, South Yarra VIC 3141 |
| each other Substantial Holder | See Annexure A                                 |

**Signature**

|            |   |          |                   |
|------------|---|----------|-------------------|
| print name | Leigh Gratzner  | capacity | Company Secretary |
| sign here  |  | date     | 30/11/2020        |

**Annexure A – Substantial Holders**

This is Annexure A of 1 page referred to in the Form 603 (Notice of initial substantial holder).

print name Leigh Gratzer

capacity Company Secretary

sign here



date 30/11/2020

| Name   | ACN         | Address   |
|--|-------------|---|
| DBT Nominees Pty Ltd as trustee for the Danewell Business Trust              | 006 417 947 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| Fralara Pty Ltd as trustee for the Fralara Investment Trust                  | 132 822 970 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| Frilara Pty Ltd as trustee for the Fried Alara Family Trust                  | 132 822 989 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| Spotlight Superannuation Pty Ltd as trustee for the Spotlight Provident Fund | 614 366 059 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| IF Nominees Pty Ltd as trustee for the IF Family Trust                       | 602 591 579 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| Jarush Pty Ltd as trustee for the Jarush Child Maintenance Trust             | 095 796 606 | Level 1, 199 Toorak Road, South Yarra VIC 3141      |
| Isaac Jacob Fried  | n/a         | Level 6, 111 Cecil Street, South Melbourne VIC 3205 |
| Morry Fraid  | n/a         | Level 6, 111 Cecil Street, South Melbourne VIC 3205 |
| Vivienne Fried   | n/a         | Level 6, 111 Cecil Street, South Melbourne VIC 3205 |

**Annexure B – Term Sheet**

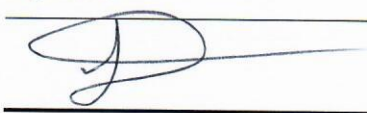
This is Annexure B of 17 pages referred to in the Form 603 (Notice of initial substantial holder).

print name Leigh Gratzer

capacity

Company Secretary

sign here



date

30/11/2020



AURUM

## Shareholder's Agreement - Term Sheet

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# Shareholder's Agreement - Term Sheet

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## 1. The Parties

Aurrum Holdings Investment Company (as trustee for the Aurrum Holdings Investment Trust)

ABN /ACN: 614 090 603

Address: 24 Bay St, Double Bay, NSW 2028

(the "Sponsor Shareholder").

Spotlight HIC Nominee Pty Ltd (as bare trustee for Spotlight HIC 1 Pty Ltd as trustee for Spotlight HIC 1 Trust)

ABN /ACN: 614 366 059

Address: Level 6, 111 Cecil Street, South Melbourne, Victoria, 3205

Spotlight HIC Nominee Pty Ltd (as bare trustee for Spotlight HIC 2 Pty Ltd as trustee for Spotlight HIC 2 Trust)

ABN /ACN: 614 366 059

Address: Level 6, 111 Cecil Street, South Melbourne, Victoria, 3205

CW Property Nominees Pty Ltd

ABN /ACN: 614 388 171

Address: 44 Raglan Street, Preston VIC 3072

Almavijo Pty Ltd ACN 002 943 311 (as trustee for the Almavijo Trust)

ABN /ACN: 002 943 311

Address: Level 7, 60 Carrington Street, Sydney, NSW, 2000

DDP Capital Pty Ltd

ABN /ACN: 163 122 978

Address: 74 Kambala Road, Bellevue Hill, NSW 2023

Joanna Shaw FT Pty Limited (as trustee for Joanna Shaw Family Trust)

ABN /ACN: 602 659 432

Address: Level 7, 60 Carrington Street, Sydney, NSW, 2000

Victoria Shaw FT Pty Limited (as trustee for Victoria Shaw Family Trust)

ABN /ACN: 602 659 076

Address: Level 7, 60 Carrington Street, Sydney, NSW, 2000

James Shaw FT Pty Limited (as trustee for James Shaw Family Trust)

ABN /ACN: 602 659 037

Address: Level 7, 60 Carrington Street, Sydney, NSW, 2000



(collectively, the “Partner Shareholders”).

The Sponsor Shareholder and the Partner Shareholders (or their respective nominees) are collectively referred to as the “Foundation Shareholders”.

“Shareholders” means the Foundation Shareholders and any other equity/shareholders / unitholders in the Company (as that term is defined below).

**2. Execution Date**

24 August 2016

**3. Background**

- The Foundation Shareholders have established the Home Investment Consortium Company Pty Ltd (ACN: 614 090 818) (as trustee for the Home Investment Consortium Trust) (jointly, the “Company”) for the purposes of undertaking the acquisition of all of the equity in Hydrox Holdings Pty Limited (“Hydrox”) pursuant to a share sale agreement to be agreed (“SSA”).
- The Company will develop a plan to repurpose the former Masters operating sites (both leasehold & freehold) into Large Format Retail destination shopping centres.
- The Foundation Shareholders comprise the Sponsor Shareholder and Partner Shareholders who will, in their own right or via nominees, all be the initial members of the Company.
- The Foundation Shareholders wish to enter into: (i) equity / share subscription agreements in respect of their subscription for equity in the capital of the Company (“Equity Subscription Agreement”); and (ii) a unitholders/shareholder’s agreement in order to record their respective rights and obligations as members of the Company and the arrangements for the management, control and funding of the Company (“Shareholders Agreement”). For the avoidance of doubt, the Foundation Shareholders may nominate a different entity to subscribe for the equity/shares in the Company and enter into the Shareholders Agreement.
- This “Shareholder’s Term Sheet” (the “Term Sheet”) summarises the principal terms to be included in the Equity Subscription Agreements and the Shareholders Agreement. It is binding but subject to the terms of the Shareholder’s Agreement when subsequently entered into. The Shareholder’s Term Sheet and subsequently the Shareholder’s Agreement will govern the relationship between the Foundation Shareholders and any future equity/shareholders of the Company.

**4. Good faith to enter into Transaction Documents**

Each Party agrees to work together co-operatively and in good faith to implement the terms of this Term Sheet in the most expeditious, financially efficient and tax effective manner and in compliance with all laws, including by negotiating and entering into:

- the Equity Subscription Agreements;
- the Shareholders’ Agreement; and
- any other appropriate ancillary documentation,

(the “Transaction Documents”).

The Parties agree to work together co-operatively and in good faith to procure that the Company enters into the SSA on terms to be agreed.

There will be no obligation on the Parties to complete the transactions contemplated by this Term Sheet until legally binding Transaction Documents are agreed and signed by all Parties.

**5. Inconsistency with the Constitution**

If there is any inconsistency between the terms of the Constitution and the Shareholders Agreement, the (to the extent permitted by law) terms of the Shareholders Agreement or Term Sheet will override the Constitution, and will apply, to the extent of that inconsistency.

**6. The parties to the Equity Subscription Agreements and**

The parties to the Equity Subscription Agreements and the Shareholders Agreement are to be:

- the Company; and

## **Shareholders Agreement**

- the Foundation Shareholders, and each Foundation Shareholder's respective commitment and equity/shareholding levels are detailed in Annexure A. If the Company has any subsidiaries, in respect of each subsidiary, the Foundation Shareholders and the Company agree to cause the affairs of the subsidiary to be administered in accordance with the Shareholders Agreement as if the affairs of the subsidiary were the affairs of the Company and being dealt with under the Shareholders Agreement.

## **7. Equity Subscription Agreement interdependent with Shareholders Agreement**

Completion under the Equity Subscription Agreements (i.e., the financial settlement / payment, and the issue of units and shares to each Foundation Shareholder) is to be interdependent / simultaneous with the effective date of the Shareholders Agreement.

## **8. Equity Subscription Agreements - Tranches A, B and C**

Subscriptions will initially occur in two tranches (i.e., Tranches "A" and "B") to align with the intended use of proceeds:

- **Tranche A** - occurred on 5 August 2016, prior to the signing of the SSA to acquire Hydrox, and will comprise an equity raising of \$50,000,000.00 from the Sponsor Shareholder.
- **Tranche B** - will occur prior to the signing of the SSA to acquire Hydrox and will comprise an equity raising of A\$50,000,000.00 from the Partner Shareholders in the proportions set out in Annexure A.

A third tranche (**Tranche C**) - "The General Offer" - will occur after signing of the SSA to acquire Hydrox and will be for a target amount of \$50,000,000.00 to \$100,000,000.00, with the final amount raised under this Tranche C to be determined by the Foundation Shareholders based on the price achieved for the raising (with a target range of \$2.50 to \$3.00 / share).

## **9. The Board**

**Sponsor Shareholder** - The Sponsor Shareholder is entitled to appoint 3 directors to the board of the Company, provided that it holds at least 7.5 per cent of the total issued equity in the Company in respect of each appointed director. In the event that the Sponsor Shareholder no longer holds at least 7.5 per cent of the total issued equity in the Company in respect of each appointed director, such relevant appointed director(s) are deemed to have resigned at the next ensuing meeting of directors (unless the remainder of the Board (i.e. excluding the relevant resigning director(s)) consent to the resigning director(s) remaining on the Board).

**Partner Shareholders** - Each Partner Shareholder is entitled to appoint 1 director to the board of the Company, provided that it (or its Nominees, as defined under the Equity Subscription Agreement) holds at least 7.5 per cent or more of the total issued equity in the Company. In the event that a Partner Shareholder (or its Nominees, as defined under the Equity Subscription Agreement) no longer holds at least 7.5 per cent of the total issued equity in the Company, its appointed director is deemed to have resigned at the next ensuing meeting of directors (unless the remainder of the Board (i.e., excluding the relevant resigning director) consent to the resigning director remaining on the Board).

The Chairperson does not have a casting vote on matters put to the Board.

**Initial Board** - The initial Board will be comprised of the 6 members as set out below, however, it is envisaged that the Board may be enlarged to broaden skills and capabilities in the future.

**Subsequent Board** - Board representation following the General Offer will be adjusted to reflect the ownership percentage of each of the Shareholders, with a minimum 7.5% shareholding for a Board seat.

**Notice of Meeting** - at least 5 working days notice must be given to call a Board meeting, unless each Director consents in writing to shorter notice.

**Frequency of Meetings** - The Board will meet monthly.

**Quorum** - a quorum for a meeting of the Board will require at least 75% of the directors to be present (either in person or by electronic means that allows them to hear the discussion and speak).

**Board Sub-Committees** - As required and listed in Annexure B

## **10. Initial Board of Directors**

The initial Board of Directors of the Company are detailed below.

The proposed Sponsor Shareholder nominees are:

- David Di Pilla - Chairman
- Greg Hayes - Non Executive Director
- Alexander Shaw - Non Executive Director

The proposed Partner Shareholder nominees are:

- Mary Shaw - Non Executive Director (nominee of Aurrum Shareholders / Mary Shaw investment vehicle(s)).
- Morry Fraid or Zac Fried - Non Executive Director (nominee of Spotlight Group).
- Mario Verrocchi or Sam Gance - Non Executive Director (nominee of Chemist Warehouse Group).

Each Foundation Shareholder must procure that its appointed director complies with the Shareholders Agreement and does all things required to give effect to the Shareholders Agreement.

The directors are to be remunerated (as set out below in clause 24).

## **11. Board and Shareholder Control**

Other than with respect to “Reserved Matters”, all decisions and matters will be decided by simple majority vote of the Shareholders or directors as the case may be (as required by the Corporations Act).

“Simple majority vote of shareholders” means a resolution passed by more than 50 per cent of the votes cast on the resolution by Shareholders present and entitled to vote, based on one vote per share held.

“Simple majority vote of directors” means a resolution passed by more than 50 per cent of the votes cast on the resolution by directors present and entitled to vote, based on one vote per director.

The Reserved Matters (as set out in clause 12) will require 75% shareholder approval, provided that any decisions under clause 12(a), (b) and (d) that may be adverse to the interests of, or otherwise detrimental to, the Partner Investors require the prior written consent of such Partner Investors.

## **12. Reserved Matters**

The “Reserved Matters” are:

- (a) Any change in the terms of the Shareholders’ Agreement or the Shareholder’s Agreement Term Sheet or other equity transaction document;
- (b) Any change or modification of the constitutions or governing documents of the Company or a subsidiary;
- (c) Except where a Drag Along applies, a proposal for a merger, partnership, joint venture, demerger, spin-off or other reorganization of the Company (subject to a materiality test);
- (d) Granting of options over the equity of the Company, or entering into any agreement to do so;
- (e) Acquisitions or divestments (whether at one time or a period of time) or change of business strategy that would materially change the nature, scope or core business of the Company (and which are not contemplated in the Business Plan);
- (f) Equity capital raisings, the creation, issue or allotment of equity in the Company, any offers to subscribe for equity, any equity reductions, buybacks, cancellations, redemptions or reconstructions, entering into any convertible notes, and any agreement to do any of those things (other than where there is a requirement for an emergency issuance, including to prevent an event of default under debt covenants). For the avoidance of doubt, the Tranche C - General Offer is not a Reserved Matter;
- (g) Taking any step to dissolve, wind up or liquidate the Company, or make any composition or arrangement with its creditors (except if compulsorily required by law);

- (h) Bankruptcy, insolvency, administration or receivership of the Company (except if compulsorily required by law);
- (i) Any other matter expressly referred to as a Reserved Matter in this Term Sheet.

**13. Business Planning, Budgeting Process & Reporting Requirements**

Business plans and budgets will be prepared by management and approved on an annual basis by the Board no later than 1 month before the end of each financial year. The initial business plan against which the business is being run is the Bank Financial Model & Assumptions Book document (a summary of which has been provided to Shareholders in draft) and which will be updated and provided to Shareholders as soon as practicable. This business plan will be updated to incorporate lease ups within 30 days of financial close. In the event that a business plan and/or budget is not approved in any given year, the shareholders will be deemed to have approved the prior year's business plan and budget taking into account 3 per cent annual increases in costs.

**14. Delegated Authority by the Board of Directors**

Any material third party contractual arrangement entered into by the Company should be referred and approved by the Board of Directors either directly or via the Business Planning & Budgeting Process.

Where a third party contract is entered into above A\$250,000, and is not reflected in the Business Planning & Budgeting process, this amount it will be referred to the Board of Directors for approval. The delegated authorities granted by the Board for the executive management team will be reviewed and documented within 90 days of signing the SSA.

**15. Key Employees & Management**

The Board of Directors will look to agree as soon as possible a corporate management structure as applicable.

A job description and executive search will be undertaken as soon as practically possible in order to identify suitably qualified candidates for key executive functions.

**16. Management Co.**

It is contemplated that a separately established Management Co. (with ownership comprising the Foundation Shareholders (or their nominees) in their same respective proportions as set out in Annexure A) will provide initial services to establish the Company as well as "Asset Management Services" and "Property Management Services" where appropriate.

Initially Aurrum Holdings Pty Limited will make available its key management to the Management Co. - including: David Di Pilla, Tze-Wei Chong, William McMicking and Andrew Boustred to Management Co. Any fee arrangements entered into by the Management Company to service providers including management provided by Aurrum Holdings is to be on an arm's-length basis. The Management Co. is to have a management structure and plan to be established within 30 days of financial close.

**17. Asset Management Services**

Services to be covered include include strategy, acquisitions, developments and day-to-day management (finance, payroll, HR functions) for the Company.

**18. Property Management Services**

Services to be covered include marketing, leasing, tenant liaison, property maintenance management, development and capital expenditure management, property development evaluation and preparation of development proposals, management of development.

**19. Management Fee**

An arm's-length fee of 2.5% of run-rate Gross Rental (excluding incentives and outgoings, with run-rate rental to accommodate lease-up delays) will be initially payable for the Asset Management Services and Property Management Services, by the Company to Management Co. Any change to the management fee is to be incorporated in the Financial Budget.

**20. Transfer of equity by Foundation Shareholders**

**Initial Lock-up Period**

- A Foundation Shareholder may not sell any of its equity in the Company to a third party (other than a related body corporate as defined in section 50 of the Corporations Act, and whether or not it acts in its individual capacity or as trustee of any trust) without the prior written consent of the other Foundation Shareholders within a 2 year period from the effective date of this agreement.

### **Right of First Refusal (ROFR)**

- Except for in a drag situation, each Shareholder who holds at least 7.5 percent per cent of the issued equity in the Company (“**Eligible Shareholders**”) shall have a right of first refusal in the event of a proposed sale by any other Shareholder/s (the “**Selling Party**”) of part or all of its/their equity to a bona fide third party.
- The Selling Party shall issue a notice to each other Eligible Shareholder setting out the terms of the proposed transfer (the “**Offer Notice**”).
- The Offer Notice will include full information about the offer terms which is capable of acceptance and unconditional (subject to the ROFR process under this clause 20) between the Selling Party and proposed acquirer and all other relevant materials in relation to the proposed transfer.
- If one or more Eligible Shareholders make an offer to the Selling Party that is on identical terms to those contained in the Offer Notice, within 1 month of receiving the Offer Notice (“**Offer Notice Period**”), that party or those parties shall be entitled to purchase all of the equity in the Company that is the subject of the Offer Notice. If more than one Eligible Shareholder offers to acquire the equity, the division will be in proportion to the Eligible Shareholders’ respective equity/shareholdings.
- If the other Eligible Shareholders do not make offer within the Offer Notice Period, or makes an offer on terms that are less favourable to those set out in the Offer Notice (“**Revised Offer Notice**”), the Selling Party may sell its equity to the proposed acquirer, provided it does so within 1 month after the Offer Notice Period has lapsed.
- Any new equity/shareholder of the Company, on a transfer of equity, must execute a deed of accession to the Shareholders Agreement, in a prescribed form, with the Company and the Foundation Shareholders.

### **21. Tag Along**

The Shareholders will have a “tag along” right on the same terms and conditions as the Selling Party in the event of a transfer being in respect of greater than 40 per cent of the issued share capital in the Company. Each Shareholder may only exercise this tag along right in respect of its entire shareholding.

A Shareholder is required to issue a request to tag-along within 1 month of receiving the Offer Notice by the Majority Selling Party.

### **22. Drag Along**

In the event that a “**Majority Selling Party**” (being a party or parties who together hold 50% or more of the equity in the Company) proposes to transfer all of its equity in the Company to a bona fide third party (including an Initial Public Offering of the Company) that Majority Selling Party shall have a “drag along” right which allows that party to require the other Shareholders to sell all the remaining equity in the Company on the same terms and conditions as the Majority Selling Party.

The Majority Selling Party shall issue a drag along notice to each other Shareholder setting out the terms of the proposed transfer (“**Drag Notice**”) which requires all other Shareholders to offer to transfer their equity to the third party within 1 month of receiving the Drag Notice on the same terms and conditions as the Majority Selling Party.

The drag along right applies in priority to any Right of First Refusal.

### **23. New Equity Issues**

Except in the case of the “**General Offer**” (as referred to in clause 8), if new equity capital is determined to be required by the Board of Directors, it will initially be raised through the offer of new equity to the Shareholders in proportion to their shareholding and otherwise on the same pricing and other terms and conditions. If a Shareholder does not take up all or part of any new equity offered to it, the equity not taken up will be offered to the other Shareholders in proportion to their respective shareholdings.

The Foundation Shareholders acknowledge and agree that, unless otherwise agreed in writing, they will not participate directly or indirectly in the “**General Offer**” (as referred to in clause 8).

Any new equity/shareholder of the Company must execute a deed of accession to the Shareholders Agreement, in a prescribed form, with the Company and the Foundation Shareholders.

**24. Director's Remuneration**

The director's fees for the 12 month period following the effective date of the Shareholders Agreement, will be confirmed as indicatively detailed below.

- David Di Pilla, Executive Chairman - [A\$75,000]
- Greg Hayes, Non-Executive Director - [A\$60,000]
- Alex Shaw, Non-Executive Director - [A\$60,000]
- Mary Shaw, Non-Executive Director - [A\$60,000]
- Morry Fraid / Zac Fried, Non-Executive Director - [A\$60,000]
- Mario Verrocchi / Sam Gance, Non-Executive Director - [A\$60,000]

[The director's agree to waive the director's fees for the initial 12 month period, but it will be payable for each 12 month period thereafter unless the Board resolves otherwise.]

**25. Approval of Related Party transactions**

Related Party transactions (other than the Management Fee described above) will need to be approved by the Board of Directors, with the board nominees of that related party unable to vote in relation to the resolution.

In considering Related Party Arrangements, the Board will have consideration to objectively tested market comparables.

**26. Governing Law and jurisdiction**

This Term Sheet is governed by the laws of New South Wales, Australia. Each party submits to the non-exclusive jurisdiction of the Courts exercising jurisdiction in New South Wales, Australia. .It is intended to be legally binding on the parties to it, but is subject to the terms of the Shareholders Agreement once that agreement is executed by the Foundation Shareholders, and to the extent of any inconsistency, the Shareholders Agreement prevails.

**27. Confidentiality**

No confidential information may be disclosed by a receiving party to any person except:

- to representatives of the receiving party requiring the information for the purposes of this Term Sheet;
- with the consent of the disclosing party;
- if the receiving party is required to do so by Law, a stock exchange or any regulatory authority; or
- if the receiving party is required to do so in connection with legal proceedings.

**28. Legal costs**

Each party agrees to pay their own legal and other costs and expenses in connection with the negotiation, preparation, execution and completion of this Term Sheet, the Transaction Documents and other ancillary documentation.

**29. Counterparts**

The Term Sheet may be signed in counterparts and all counterparts taken together constitute one document.

**30. Party acting as trustee**

If a party enters into this Term Sheet or a Transaction Document as trustee of a trust, that party also enters into such agreement in its own capacity, and will give such customary warranties in relation to the trust.

**31. Background part of Term Sheet**

The parties acknowledge and agree that clause 3 (Background) forms part of this Term Sheet.


**32. Dispute Resolution**

In the event of a dispute in relation to the Shareholders Agreement ("Dispute"), each party must attempt to resolve the Dispute in good faith within 14 days ("Initial Period"). If the disputants cannot resolve the Dispute during the Initial Period, either party may refer the Dispute to the Board, who shall meet within 7 days to attempt to resolve the Dispute in good faith within a further 7 days. In the event that the Board cannot resolve the Dispute within the time period, the parties agree to refer the Dispute for mediation administered by the Australian Commercial Disputes Centre ("ACDC") before having recourse to

litigation. The mediation is to be conducted in accordance with the ACDC's Guidelines for Commercial Mediation.

**Execution**

Signed by <sup>AURRUM HOLDINGS INVESTMENT</sup>  
~~Home Investment Consortium Company~~  
Pty Ltd (in its own capacity and as  
trustee for the ~~Home Investment Consortium Trust~~ <sup>AURRUM HOLDINGS INVESTMENT TRUST</sup>)  
in accordance with section 127 of the  
*Corporations Act 2001* by the sole  
director and sole company secretary:

  
\_\_\_\_\_  
Signature of David Di Pilla  
Sole director and sole company  
secretary

Signed by  
James Shaw FT Pty Ltd as trustee for  
James Shaw Family Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
Victoria Shaw FT Pty Ltd as trustee  
for Victoria Shaw Family Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)



# Execution

Signed by  
Home Investment Consortium Company  
Pty Ltd (in its own capacity and as  
trustee for the Home Investment  
Consortium Trust)  
in accordance with section 127 of the  
*Corporations Act 2001* by the sole  
director and sole company secretary:

\_\_\_\_\_  
Signature of David Di Pilla  
Sole director and sole company  
secretary

Signed by  
James Shaw FT Pty Ltd as trustee for  
James Shaw Family Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:



\_\_\_\_\_  
Signature of director

Mary Shew

\_\_\_\_\_  
Name of director (please print)

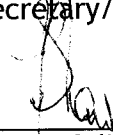


\_\_\_\_\_  
Signature of director/secretary

Alex Shew

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
Victoria Shaw FT Pty Ltd as trustee  
for Victoria Shaw Family Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:



\_\_\_\_\_  
Signature of director

Mary Shew

\_\_\_\_\_  
Name of director (please print)



\_\_\_\_\_  
Signature of director/secretary

Alex Shew

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
Joanna Shaw FT Pty Limited as  
trustee for Joanna Shaw Family Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director and  
secretary/director:



\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Mam shaw

Name of director (please print)

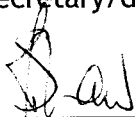


\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Alex shaw

Name of director/secretary (please  
print)

Signed by  
Almavijo Pty Ltd as trustee for  
Almavijo Trust  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:



\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Mam shaw

Name of director (please print)



\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Alex shaw

Name of director/secretary (please  
print)

Signed by  
DDP Capital Pty Limited  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
CW Property Nominees Pty Ltd  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
Spotlight HIC Nominee Pty Ltd (in its  
capacity as bare trustee for Spotlight  
HIC 1 Pty Ltd as trustee for Spotlight  
HIC 1 Trust; and in its capacity as  
bare trustee for Spotlight HIC 2 Pty  
Ltd as trustee for Spotlight HIC 2  
Trust)

in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
DDP Capital Pty Limited  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:  
the sole

~~Signature of director~~

~~Name of director (please print)~~

  
Signature of director/secretary

DAVID DI PILLA  
Name of director/secretary (please  
print)

Signed by  
CW Property Nominees Pty Ltd  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

~~Signature of director~~

~~Name of director (please print)~~

Signature of director/secretary

Name of director/secretary (please  
print)

Signed by  
Spotlight HIC Nominee Pty Ltd (in its  
capacity as bare trustee for Spotlight  
HIC 1 Pty Ltd as trustee for Spotlight  
HIC 1 Trust; and in its capacity as  
bare trustee for Spotlight HIC 2 Pty  
Ltd as trustee for Spotlight HIC 2  
Trust)

in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

~~Signature of director~~

~~Name of director (please print)~~

Signature of director/secretary

Name of director/secretary (please  
print)

Signed by  
DDP Capital Pty Limited  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
CW Property Nominees Pty Ltd  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)

\_\_\_\_\_  
Name of director/secretary (please  
print)

Signed by  
Spotlight HIC Nominee Pty Ltd  
in accordance with section 127 of the  
*Corporations Act 2001* by a director  
and secretary/director:

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name of director (please print)  
ISAAC FRIED  
DIRECTOR  
LEVEL 6, 111 CECIL STREET  
SOUTH MELBOURNE VIC 3205

\_\_\_\_\_  
Name of director/secretary (please  
print)  
JAMES CF GARDE

## Annexure A - Equity Subscriptions

| Investors                               | Allocation<br>\$m | Subscription<br>(\$) | Units<br>(m) | % NOSH        |
|---|-------------------|----------------------|--------------|---------------|
| <b>Tranche 1</b>                        |                   |                      |              |               |
| Aurum Holdings Investment Trust         | 50.0              | 1.00                 | 50.00        | 60.0%         |
| <b>Tranche 2</b>                        |                   |                      |              |               |
| Spotlight Pty Ltd (or Nominees)         | 15.0              | 1.50                 | 10.00        | 12.0%         |
| Chemist Warehouse Pty Ltd (or Nominees) | 15.0              | 1.50                 | 10.00        | 12.0%         |
| Shaw Family Trust 1 (or Nominees)       | 16.0              | 1.50                 | 10.67        | 12.8%         |
| DDP Capital (or Nominees)               | 4.0               | 1.50                 | 2.67         | 3.2%          |
| <b>Tranche 2 Total</b>                  | <b>50.0</b>       | <b>5.00</b>          | <b>33.33</b> | <b>40.0%</b>  |
| <b>Tranche 1 + 2 Total</b>              | <b>100.0</b>      | <b>6.00</b>          | <b>83.33</b> | <b>100.0%</b> |

## Annexure B - Board Committees

| <b>Committee</b>                  | <b>Membership</b>                 | <b>Indicative Meetings<br/>Annually</b> |
|-----------------------------------|-----------------------------------|---|
| 1. Audit & Finance Committee      | To be determined by Board Meeting | 2                                       |
| 2. Capital & Investment Committee | To be determined by Board Meeting | 2                                       |
| 3. Remuneration Committee         | To be determined by Board Meeting | 2                                       |