



Managed by  
HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257)  
as responsible entity of the  
HomeCo Daily Needs REIT (ARSN 645 086 620)

## ASX RELEASE

13 September 2021

### ESTABLISHMENT OF DISTRIBUTION REINVESTMENT PLAN

HomeCo Daily Needs REIT (ASX: HDN) advises that it has established a Distribution Reinvestment Plan (**DRP**) which will apply from and including the September 2021 quarterly distribution.

In accordance with ASX Listing Rule 3.10.8, the DRP Plan Rules and a questions and answers booklet are attached to this announcement.

You can elect to participate in the DRP at any time. In order to participate in the DRP for the September 2021 quarterly distribution, you will need to ensure your DRP participation notice is received, or your online election is made, by no later than 5pm (AEST) on the Last Election Date for the distribution. The Last Election Date will be notified to the ASX and posted on HDN's website when the next distribution is announced, but is expected to be 1 October 2021.

Units to be issued under the DRP will be issued at an average of the daily volume weighted average market prices for units traded on ASX (and any other market determined by HDN) over a period of at least 5 trading days (**Allocation Price**), in accordance with the DRP Plan Rules. The Allocation Price may be reduced by a discount, which HDN may determine from time to time and announce to the ASX. HDN currently intends to offer a discount of 1.5% to the Allocation Price.

The pricing period for the Allocation Price will be announced to ASX and posted on HDN's website at the time HDN announces the September 2021 quarterly distribution. The final Allocation Price for a distribution will be notified in the same way after the Allocation Price is determined.

### Home Consortium Underwriting of the DRP and Committed Participation

HDN has entered into an underwriting agreement with Home Consortium Limited (ASX: HMC) to underwrite offers of fully paid ordinary units under the DRP in relation to the December 2021, March 2022 and June 2022 distributions, subject to HDN unitholder approval.

Further details of the DRP Underwriting Agreement are contained in Appendix D of the Acquisition and Equity Raising presentation released by HDN today.

HMC has also committed to participate in the DRP for the full amount of the September 2021 quarterly distribution payable to it.

-ENDS-

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Authorised for release by the Board of the Responsible Entity

***About HomeCo Daily Needs REIT***

*HomeCo Daily Needs REIT is an Australian Real Estate Investment Trust listed on the ASX with a mandate to invest in convenience-based assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. HomeCo Daily Needs REIT aims to provide unitholders with consistent and growing distributions.*



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# Distribution Reinvestment Plan Rules

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**HomeCo Daily Needs REIT (HDN)**

ARSN 645 086 620

13 September 2021

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# 1 Definitions and interpretation

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## 1.1 Definitions

The meanings of the terms used in these Rules are set out below.

<b>Term</b>	<b>Meaning</b>
<b>Allocated Units</b>	in respect of a Participant, the Units allocated to the Participant under the DRP.
<b>Allocated or Allocation</b>	<ol style="list-style-type: none"><li>1 the issue of new Units to; or</li><li>2 the transfer of existing Units to; or</li><li>3 any combination of the issue of new Units to or the transfer of Units to,</li></ol> a Participant under the DRP, as the case may be.
<b>Allocation Price</b>	in respect of an Allocation, the price at which those Units are Allocated, calculated in accordance with rule 10.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the stock market operated by it (as the case may be).
<b>Average Market Price</b>	the arithmetic average of the daily volume weighted average prices for Units traded on ASX (and any other market determined the Board) during the relevant period, but: <ol style="list-style-type: none"><li>2 excluding any trades that the Board determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand or are not in the ordinary course of trading on the relevant market; and</li><li>3 adjusted if necessary to ensure that, if Units are being Allocated under the DRP either 'cum' or 'ex' an entitlement of any kind, then the trading prices of Units used to calculate the Average Market Price are adjusted, in such manner as the Board considers appropriate, so as to be on a comparable basis.</li></ol>
<b>Board</b>	the board of directors of the RE.

<b>Term</b>	<b>Meaning</b>
<b>Business Day</b>	a day which is a business day within the meaning of the Listing Rules.
<b>Constitution</b>	the constitution of HDN as varied from time to time.
<b>Discount</b>	the percentage discount (if any) determined by the RE from time to time to be applied in calculating the Allocation Price per Unit under rule 10.
<b>Distribution</b>	any distribution per Unit announced and payable by HDN.
<b>Distribution Payment</b>	for a Unitholder, the relevant Distribution multiplied by the number of Units held by that Unitholder as at the relevant Distribution Record Date, subject to rule 20(d) and less any resident and/or non-resident withholding tax or any other amounts that the RE is entitled or required to deduct from the payment.
<b>Distribution Payment Date</b>	the date on which the Distribution is payable, as announced by HDN.
<b>Distribution Record Date</b>	the date and time, as determined by the Board, at which a person holds or is taken to hold Units for the purpose of determining the entitlement of Unitholders to Distributions.
<b>DRP</b>	HDN's distribution reinvestment plan to which these Rules apply, as varied from time to time.
<b>DRP account</b>	the account established and maintained by HDN for each Participant under the DRP.
<b>Election Date</b>	has the meaning given in rule 19(c).
<b>Eligible Unitholder</b>	has the meaning given in rule 3.
<b>Full Participation</b>	has the meaning given in rule 7(b).

<b>Term</b>	<b>Meaning</b>
<b>HDN</b>	HomeCo Daily Needs REIT (ARSN 645 086 620).
<b>Last Election Date</b>	the first Business Day after the Distribution Record Date for a Distribution, or such other date determined by the RE (in accordance with the Listing Rules) to be the last date to elect to participate in the DRP for a particular Distribution.
<b>Listing Rules</b>	the listing rules of ASX and any other rules of ASX which are applicable to HDN and the RE while HDN is admitted to the official list of ASX, except to the extent of any waiver by ASX.
<b>Maximum Participating Holding</b>	the number of Units (if any) determined by the RE from time to time under rule 8(c).
<b>Minimum Participating Holding</b>	the number of Units (if any) determined by the RE from time to time under rule 8(a).
<b>Partial Participation</b>	has the meaning given in rule 7(c).
<b>Participating Units</b>	Units which a Unitholder has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.
<b>Participant</b>	a Unitholder some or all of whose Units are Participating Units.
<b>Participation Notice</b>	a form, whether written or electronic, used to apply for, vary or terminate participation in the DRP, as approved by the RE from time to time.
<b>Pricing Period</b>	in respect of a Distribution, the period determined by the RE, being a period of not less than 5 Trading Days.
<b>RE</b>	HMC Funds Management Limited (ACN 105 078 635, AFSL 237257) in its capacity as responsible entity of HDN.
<b>Registry</b>	the registry which maintains HDN's unit register.

<b>Term</b>	<b>Meaning</b>
<b>Requirements</b>	the <i>Corporations Act 2001</i> (Cth), the Listing Rules and the operating rules of ASX, including the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules.
<b>Rules</b>	these rules of the DRP as varied from time to time.
<b>Trading Day</b>	a full day on which Units are quoted, and not suspended from quotation or made subject to a trading halt on ASX, provided that it is not a day on which ASX is closed or on which trading on ASX is suspended generally.
<b>Unit</b>	a fully paid ordinary unit in HDN.
<b>Unitholder</b>	a holder of Units at a relevant Distribution Record Date.

## 1.2 Interpretation

In these Rules headings are for convenience only and do not affect interpretation, and unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (d) any reference in these Rules to any enactment, part of an enactment, the Listing Rules, the ASX Operating Rules, the ASX Clear Operating Rules or the ASX Settlement Operating Rules includes a reference to that enactment, part of that enactment, those Listing Rules, ASX Operating Rules, ASX Clear Operating Rules or ASX Settlement Operating Rules as from time to time amended, consolidated, re-enacted or replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (e) a reference to a body, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;



- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to dollars or \$ is to Australian currency;
- (h) unless otherwise determined by the Board or specified below, a reference to a price is to the relevant dollar amount rounded to 4 decimal places;
- (i) all references to time are to Sydney time;
- (j) references to actions taken by HDN are to actions taken by the RE in its capacity as responsible entity of HDN;
- (k) any action required or permitted to be taken by HDN or the RE may be taken by the Board, or by a person or persons to whom the Board has delegated its powers, discretions or functions under the DRP, and any action required or permitted to be taken by the Board may be taken by a person or persons to whom the Board has delegated its powers, discretions or functions under the DRP.

## 2 Commencement of the DRP

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The DRP and these Rules will commence operation on the date these Rules are adopted by the Board or (if relevant) such other date as the Board in its sole discretion determines.

## 3 Eligibility to participate

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- (a) The RE may from time to time invite Unitholders to participate in the DRP.
- (b) Participation in the DRP is subject to these Rules.
- (c) Participation in the DRP by Eligible Unitholders:
  - (1) is optional and voluntary;
  - (2) is not transferable; and
  - (3) may be varied or terminated at any time in accordance with rule 14.
- (d) Subject to rules 3(e) and 3(f), an **Eligible Unitholder** is, in respect of a particular Distribution Record Date, a person who, at that Distribution Record Date, was recorded in HDN's unit register as a registered holder of Units (being at least the Minimum Participating Holding (if any)) and whose address in HDN's unit register at the relevant Distribution Record Date:
  - (1) is in Australia or New Zealand; or
  - (2) is in a jurisdiction in which the Board is satisfied that the offer and issue or transfer of Units under the DRP is lawful and practicable, provided that the Board may determine that:
    - (3) a Unitholder, or a class of Unitholders, are not Eligible Unitholders if they are, or hold Units on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (1) and (2) above; and

- (4) a Unitholder, or a class of Unitholders, are Eligible Unitholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (1) and (2) above.
- (e) The Board is entitled to make a final determination as to whether or not any particular Unitholder is an Eligible Unitholder for the purposes of these Rules, and to change any such determination, as and when it sees fit. In making this determination, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- (f) The Board has the discretion to refuse to accept any person's Units for participation in the DRP and to suspend or withdraw any person's Units from participation (including declining to issue or transfer or reducing the issue or transfer of Units under the DRP to a Participant) if the Board considers that the participation of those Units might:
  - (1) breach any law of Australia including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution; or
  - (2) prejudice the effective operation of the DRP; or
  - (3) be undesirable or impractical.
- (g) It is the responsibility of each Unitholder to obtain any necessary approvals to enable that Unitholder to participate in the DRP.

## 4 Multiple holdings

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- (a) Where an Eligible Unitholder has more than one holding of Units:
  - (1) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and
  - (2) these Rules will apply as if each such holding were held by a separate Participant,
 unless the Board determines otherwise.
- (b) Without limiting paragraph (a) above, the Board is entitled (but not obliged) to refuse an Eligible Unitholder participation in the DRP where that Unitholder has, in the opinion of the Board, split a unitholding or acquired Units as part of such a split, in order to increase the number of Units that may be acquired by that Unitholder or another person under this DRP.
- (c) Unless the Board determines otherwise, if Units are jointly held by two or more Eligible Unitholders, all joint holders of such Units must sign a single Participation Notice for it to be valid. If one or more of the joint holders of the Units is not an Eligible Unitholder, none of the joint holders can apply to participate in the DRP with respect to the Units jointly held.

## 5 Broker, trustee or nominee accounts

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If:

- (a) a unitholding account appearing in HDN's unit register relates to a:
  - (1) broker's clearing account;
  - (2) trustee; or
  - (3) nominee; and
- (b) the broker, trustee or nominee notifies the RE:
  - (1) that the relevant Units are held for a number of different persons; and
  - (2) specifies the number of Units held for each of such persons as at a particular Distribution Record Date (although the names of such persons need not be specified),

then the RE may determine that each such holding shall, as at that Distribution Record Date, be taken to represent a separate Unitholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

## 6 Application to participate

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- (a) Subject to an overriding discretion of the RE, an application to participate in the DRP must be made by submitting a Participation Notice in accordance with rule 19. An Eligible Unitholder's participation in the DRP will take effect in accordance with rule 19(b).
- (b) A Participation Notice validly submitted or otherwise accepted by the RE remains in effect until:
  - (1) the Participant varies or terminates participation in the DRP under these Rules;
  - (2) the RE terminates the DRP under rule 16; or
  - (3) the Participant ceases to be an Eligible Unitholder under rule 3.

## 7 Extent of participation

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- (a) Participation may be either full or partial. A Participation Notice must specify whether the Unitholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Participation Notice must clearly specify the number of Units that are to be Participating Units.
- (b) **Full Participation** means that all Units registered in the Participant's name from time to time (subject to the Maximum Participating Holding (if any)) are Participating Units. Where a Unitholder has elected Full Participation, all Units subsequently acquired and held by that Participant (whether under the DRP or otherwise) will be Participating Units, subject to:

- (1) the Requirements;
  - (2) any later Participation Notice submitted by that Participant; and
  - (3) the Maximum Participating Holding (if any).
- (c) **Partial Participation** means that only the number of Units specified as participating in the Participation Notice by the Unitholder are Participating Units (subject to the Maximum Participating Holding (if any)). However, if at the relevant Distribution Record Date the number of Units held by the Participant is less than the specified number of Units, the DRP applies to the lesser number of Units (and the Participant is deemed to have lodged a Participation Notice to this effect for the relevant Distribution). This means that, where a Unitholder has elected Partial Participation, Units in excess of the number specified as participating that are subsequently acquired by that Unitholder (whether under the DRP or otherwise), will not participate in the DRP unless that Unitholder submits a further Participation Notice in accordance with rule 14.
- (d) If a Participation Notice does not, in the opinion of the RE, clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.
- (e) The Board, the RE, HDN, the Registry and any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (and where relevant their respective officers, employees, agents and advisers) shall not be liable to any Eligible Unitholder for any loss, damage or claim in respect of that Eligible Unitholder's participation as a result of the operation of rules 7(b), (c) or (d).

## 8 Minimum Participating Holding and Maximum Participating Holding

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- (a) The RE may determine a minimum permitted number of Participating Units per Participant (whether in respect of a particular Distribution or Distributions generally) from time to time by notification on HDN's website and by notice to ASX.
- (b) To the extent that a Participation Notice has specified a number of Participating Units less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Units would otherwise be less than that limit), for so long as the Minimum Participating Holding applies:
- (1) the number of Participating Units for that Participant for the purposes of these Rules is deemed to be zero; and
  - (2) any Units specified in the Participation Notice as Participating Units are deemed not to be Participating Units, and any Distribution payable in respect of them will be paid by HDN in accordance with its usual arrangements for the payment of Distributions.
- (c) The RE may determine a maximum permitted number of Participating Units per Participant (whether in respect of a particular Distribution or Distributions generally) from time to time by notification on HDN's website and by notice to ASX.

- (d) To the extent that a Participation Notice has specified a number of Participating Units in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Units would otherwise exceed that limit), for so long as the Maximum Participating Holding applies:
- (1) the number of Participating Units for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
  - (2) any Units specified in the Participation Notice as Participating Units in excess of the Maximum Participating Holding are deemed not to be Participating Units, and any Distribution payable in respect of them will be paid by HDN in accordance with its usual arrangements for the payment of Distributions.

## 9 Reinvestment of Distributions and residual balances

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- (a) Each Distribution Payment payable to a Participant in respect of Participating Units will be applied by the RE on the Participant's behalf in acquiring additional Units by issue or transfer in accordance with these Rules.
- (b) A Distribution payable in respect of Participating Units is not available for reinvestment under the DRP to the extent that the RE is entitled to and does retain or otherwise deals with the Distribution in accordance with its Constitution or any legal requirements (including withholding tax).
- (c) The RE will establish and maintain a DRP account for each Participant. In respect of each Distribution payable to a Participant, the RE will:
- (1) determine the Distribution Payment in respect of that Participant's Participating Units;
  - (2) credit the amount in rule 9(c)(1) to the Participant's DRP account, and that payment constitutes payment of the Distribution on the Participant's Participating Units;
  - (3) determine the maximum whole number of additional Units which may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest whole number;
  - (4) on behalf of and in the name of the Participant, subscribe for or purchase the number of Units determined under rule 9(c)(3) and debit the Participant's DRP account with the total of the price for the Allocated Units; and
  - (5) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.
- (d) Subject to rule 9(e), any residual balance in a Participant's DRP account will be aggregated with any further Distribution Payment credited to the Participant's DRP account.

- (e) Where:
- (1) the DRP is suspended or terminated by the RE pursuant to these Rules; or
  - (2) the Participant ceases to participate in the DRP for whatever reason, any positive residual balance in the Participant's DRP account will be paid to the Participant (unless, in the case of a suspension, the balance is less than \$5.00, in which case it will be carried over until such time, if any, as the DRP is terminated or the relevant Participant requests payment).

## 10 Price of Units

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- (a) Units are Allocated under the DRP at the Allocation Price, which is the Average Market Price of Units during the Pricing Period, less the Discount (if any) determined by the RE from time to time, rounded in the manner determined by the RE. The determination by the RE of the Allocation Price is binding on all Participants.
- (b) The Average Market Price must be calculated by the RE or another suitable person nominated by the RE, by reference to information the RE approves for that purpose from time to time.
- (c) A Discount (if any) or Pricing Period may be different from one Distribution to the next, and either may be determined or varied by announcement on HDN's website and to ASX at any time.

## 11 Allocation of Units

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- (a) The RE may, in its discretion, either:
  - (1) issue new Units; or
  - (2) cause existing Units to be acquired for transfer to Participants; or
  - (3) undertake any combination of the options above,to satisfy the RE's obligations under these Rules.
- (b) If the RE decides to cause the transfer of Units to Participants, those Units may be acquired in such manner as the RE considers appropriate.
- (c) All Units newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Units unless the RE determines that they are not to participate in either or both of:
  - (1) the next Distribution paid; and
  - (2) any offer of Units open when the Units are issued under the DRP.
- (d) Units will be Allocated within the time required by ASX.
- (e) Units Allocated pursuant to the DRP will be registered on the unit register on which the Participant already holds Units or if the Participant holds Units on more than one unit register, on the register which the RE determines.

- (f) Where the Units Allocated pursuant to the DRP are not quoted on ASX at the time the Allocation is effected, the RE will, at its own cost, apply (or procure the application) for quotation of those Units on ASX within the time required by the Listing Rules.

## 12 DRP statements

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On, or as soon as practicable after, each Distribution Payment Date, the RE must forward to each Participant a statement in a form determined by the RE detailing:

- (a) the number of the Participant's Participating Units as at the relevant Distribution Record Date;
- (b) the amount of the relevant Distribution Payment in respect of the Participant's Participating Units (including any amounts deducted from the Distribution payable);
- (c) the amount (if any) in the Participant's DRP account immediately prior to the payment of the relevant Distribution;
- (d) the number of Units Allocated to the Participant under these Rules and the date of Allocation of those Units;
- (e) the cash balance (if any) retained in the Participant's DRP account after deduction of the amount payable on Allocation of the additional Units;
- (f) the Participant's total holding of Units after Allocation;
- (g) the Allocation Price of each Unit Allocated to the Participant;
- (h) the franked amount (if any) of the Distribution Payment and the franking credit (if any) attached to the Distribution; and
- (i) any other matters required by law to be included in the statement.

## 13 The effect of applying for participation

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By applying to participate in the DRP, the Unitholder:

- (a) warrants to the RE that it is an Eligible Unitholder;
- (b) acknowledges that Distributions reinvested under the DRP will be assessable for applicable income tax in the same way as cash Distributions;
- (c) authorises the RE (and its officers or agents) to correct any error in, or omission from, any other notice or application contemplated by rule 19 (including, but not limited to, a Participation Notice);
- (d) acknowledges that the RE may at any time irrevocably determine that the Unitholder's Participation Notice is valid, in accordance with these Rules, even if the Participation Notice is incomplete, contains errors or is otherwise defective;
- (e) acknowledges that the RE may reject any Participation Notice;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any entitlement to a fraction of a Unit produced by the calculation in rule 9(c) being dealt with in accordance with rule 9;

- (h) agrees to the appointment of the RE, or a nominee (including a broker or the Registry) appointed by the RE, as the Participant's agent to acquire Units where the RE decides to Allocate Units to Participants by acquiring existing Units in accordance with rule 11 (and for the avoidance of doubt, the Unitholder agrees to the RE or its nominee taking all steps necessary to register the Units in the Unitholder's name, including the execution of any unit transfers required);
  - (i) acknowledges that the RE may, in its absolute discretion, arrange for the DRP to be fully or partially underwritten in respect of any one or more Distributions with one or more underwriters;
  - (j) acknowledges that neither the Board, the RE, HDN, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) has provided the Unitholder with investment advice, financial product advice or any securities recommendation concerning its decision to apply to participate in the DRP and that neither has any obligation to provide any such advice or recommendation;
  - (k) acknowledges that neither the Board, the RE, HDN, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) will be liable or responsible to the Unitholder for any loss or disadvantage suffered or incurred by the Unitholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP; and
  - (l) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP or the Rules,
- in each case, at all times until termination of the DRP or the cessation of the Participant's participation in the DRP.

## 14 Variation or termination of participation

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- (a) A Participant may at any time give notice to the RE (via the Registry using the Participation Notice) of the Participant's decision to:
  - (1) increase or decrease the number of Units participating in the DRP; or
  - (2) terminate the Participant's participation in the DRP.

The alteration or termination takes effect in accordance with rule 19.
- (b) If a Participant increases its level of participation to Full Participation, rule 7(b) applies.
- (c) If a Participant decreases its level of participation or increases its level of participation to a level below Full Participation, rule 7(c) applies.
- (d) If a Participant dies, participation in the DRP terminates upon receipt by the RE of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by the RE of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Unitholders.



- (e) Upon termination of participation for whatever reason (including termination of the DRP under rule 16), the RE must forward, unless otherwise directed, to the Participant a statement of the Participant's DRP account made out to the date of termination.

## 15 Reduction or termination of participation where no notice is given

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- (a) Where all of a Participant's Units are Participating Units and the Participant disposes of some (but not all) of those Units, then subject to rule 14(a), the remaining Units held by the Participant continue to be Participating Units.
- (b) Where only some of a Participant's Units are Participating Units and the Participant disposes of part of the Participant's total holding, then the Units disposed of are deemed not to be Participating Units. If the number of Units disposed of is more than the number of the Participant's Units not participating in the DRP, the disposal is deemed to include all the Participant's holding not participating in the DRP, and the balance (if any) will be attributed to Participating Units.
- (c) Where a Participant disposes of all its Units, the Participant is deemed to have terminated participation in the DRP with respect to the holding on the date a transfer or instrument of disposal of the Participant's holding was registered.

## 16 Variation, suspension and termination of the DRP or these Rules

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- (a) The DRP or these Rules may be varied, suspended or terminated by the RE at any time by notification on HDN's website and by notice to ASX. For the avoidance of doubt, where the RE has announced that the DRP will operate in respect of a Distribution, the RE retains the discretion to suspend the DRP in respect of that Distribution at any time prior to the Distribution Payment Date.
- (b) The variation, suspension or termination takes effect upon the date specified by the RE and the variation, suspension or termination does not give rise to any liability on the part of, or right of action against, the Board, the RE, HDN, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers).
- (c) If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting a Participation Notice in accordance with these Rules.
- (d) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Units are deemed to be non-Participating Units for the purpose of any Distribution paid while the DRP is suspended.
- (e) Any suspension under rule 16(d) will continue until such time as the Board resolves to recommence or terminate the DRP.
- (f) The DRP may be reinstated following a suspension in accordance with this rule 16 by notification on HDN's website and by notice to ASX. Upon reinstatement

of the DRP, all prior elections will be reinstated and will continue to apply until a new valid Participation Notice is lodged, unless the RE determines otherwise.

## 17 Costs to Participants

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No brokerage, commission, or other transaction costs are payable by Participants in respect of Units Allocated under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Units Allocated under the DRP. The RE may, to the extent permitted by law, apply its funds in the payment of brokerage, commission, or other transaction costs in respect of Units Allocated under the DRP.

## 18 Taxation

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Neither the Board, the RE, HDN, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers):

- (a) takes any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
- (b) represents or warrants that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the DRP.

## 19 Applications and other notices

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- (a) Applications and notices to HDN or the RE must be in the form prescribed by the RE from time to time. The RE may determine that applications and notices to HDN or the RE may be lodged electronically either through HDN's website or that of an authorised third party (including the Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (b) Subject to rules 19(c) and (d), applications and notices are effective upon receipt by the RE or the Registry (as appropriate).
- (c) Unless the Board determines otherwise, applications or notices received after the Last Election Date for a Distribution are not effective in respect of that Distribution but are effective in respect of subsequent Distributions.
- (d) Without limiting rule 13(c), the RE has absolute discretion to:
  - (1) accept or reject an application or notice which is not properly completed or signed; and
  - (2) prior to acceptance, clarify with an Eligible Unitholder any instruction with respect to an application/notice in order for the application/notice to be properly completed.

- (e) The accidental omission by the RE to give any notice under these Rules to any Unitholder, ASX or any other person will not invalidate any act, matter or thing.
- (f) For the purposes of this rule 19, an application or notice includes, but is not limited to, a Participation Notice.

## 20 General

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- (a) The RE will record, with respect to each Participant:
  - (1) the name and address of the Participant (being the name and address in HDN's unit register from time to time); and
  - (2) the number of Participating Units held by the Participant from time to time.
- (b) The RE's records are conclusive evidence of the matters recorded in them.
- (c) The Board may delegate any power, discretion or function under these Rules to any person or persons.
- (d) Any Distribution payable on Participating Units which the RE is entitled to retain as a result of a charge or lien in favour of the RE in accordance with the Constitution, or other requirement of law, is not available for the purpose of participating in the DRP.
- (e) Subject to the Constitution, the RE may:
  - (1) implement the DRP in the manner the RE thinks fit; and
  - (2) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the RE thinks fit, whether generally or in relation to any Unitholder or DRP account or any Units, and the determination of the RE is conclusive and binding on all relevant Unitholders and other persons to whom the determination relates.
- (f) Neither the Board, the RE, HDN, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) is liable or responsible to any Unitholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
  - (1) the establishment, operation, suspension or termination of the DRP;
  - (2) participation or non-participation in the DRP; or
  - (3) any advice given with respect to participation in the DRP by any person.
- (g) The DRP, its operation and these Rules are governed by the laws of the State of New South Wales and each Unitholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.
- (h) Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.



Managed by  
HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257)  
as responsible entity of the  
HomeCo Daily Needs REIT (ARSN 645 086 620)

# Distribution Reinvestment Plan Information Booklet

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**HomeCo Daily Needs REIT (HDN)**

ARSN 645 086 620

**Important notice**

This booklet has been prepared and issued by HMC Funds Management Limited (ABN 89 105 078 635) (**HFML**) in its capacity as responsible entity for HomeCo Daily Needs REIT (ARSN 645 086 620).

Neither HFML nor any of its related bodies corporate (as that term is defined in the Corporations Act) guarantees or in any way stands behind the performance of the REIT or the repayment of capital by the REIT.

All reasonable care has been taken in relation to the preparation and collation of this booklet. Except for statutory liability which may not be excluded, no person accepts responsibility for any loss or damage howsoever occurring or resulting from the use of or reliance on the booklet by any person. Past performance is not indicative of future performance.

The information contained in this booklet is intended to provide general advice only and does not take into account your individual objectives, financial situation or needs. You should assess whether this booklet is appropriate for you and consider talking to a financial adviser or consultant before making an investment decision.

## Distribution Reinvestment Plan

### What is the DRP?

The DRP enables you, as a unitholder in HDN, to reinvest all or part of any distribution paid on your units in additional HDN units instead of receiving that distribution in cash.

### Who can participate?

All unitholders of fully paid HDN ordinary units who are resident in, and whose address on the register of unitholders at the relevant distribution record date is in, Australia or New Zealand may participate in the DRP, subject to the DRP Rules.

### How do I participate in the DRP?

If you wish to participate in the DRP, we encourage you to make your election online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

Alternatively, please complete and sign a DRP participation notice and return it to the REIT's registry at the address below. If a DRP participation notice does not accompany this booklet, please contact the REIT's registry:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Telephone: +61 1300 554 474  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

DRP participation notices must be received, or online elections made, by 5:00pm (Sydney time) on the Last Election Date for a distribution if you wish to participate for that distribution. The Last Election Date for the next distribution will be notified to the ASX and posted on HDN's website when the next distribution is announced, but is expected to be 1 October 2021.

### Can I participate in the DRP for some of my units?

Yes, you can nominate all of your units or a specific number of your units to participate in the DRP.

- **Full participation:** If you elect full participation, distributions on all of your units will be reinvested in acquiring DRP units. Distributions on any units you may acquire in the future will also be reinvested in this way.
- **Partial participation:** If you elect partial participation, you nominate a number of your units which participate in the DRP. Only the distributions paid on those units that you nominate will be reinvested. For units not participating in the DRP, distributions will be paid in the usual way.

If your DRP participation notice or online election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

### Is there a minimum or maximum participation level?

No, however HDN has the discretion under the DRP Rules to introduce a minimum or maximum participation level in the future.

### When will my participation begin?

Your participation in the DRP will begin with the first distribution payment after receipt of your online election or participation notice, provided it is received by the 5.00pm (Sydney time) on the Last Election Date for that distribution.

The Last Election Dates for forthcoming distributions will be notified to ASX and posted on HDN's website when the relevant distribution is announced.

For elections received after the Last Election Date for a particular distribution, you will not participate in the DRP for that distribution and your participation will begin from the next distribution.

### **What happens if I have more than one unitholding?**

You must make a separate election for each unitholding registered under different names or holding numbers by either making a separate online election or submitting a separate participation notice for each unitholding.

### **Can I withdraw or change my participation at any time?**

Yes. Simply notify the registry online. Alternatively, forms to vary or terminate your participation can be obtained at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by contacting HDN's registry. The change will be effective from the next distribution payment, provided that the election is received by 5.00pm (Sydney time) on the Last Election Date for that distribution. If your change is received after that date, the change will not be effective until the next distribution.

HDN will announce the relevant Last Election Date for each distribution to the ASX and on the HDN website at the time it announces the distribution.

### **At what price will the units be allocated?**

Units will be allocated at an average of the daily volume weighted average market prices for units traded on ASX (and any other market determined the Board) over a period of at least 5 trading days ('Allocation Price'), in accordance with the DRP Rules. The Allocation Price may be reduced by a discount, which the Board may determine from time to time and announce to the ASX. HDN currently intends to offer a discount of 1.5% to the Allocation Price.

The pricing period for the Allocation Price will be announced to ASX and posted on HDN's website at the time HDN announces a distribution. The final Allocation Price for a distribution will be notified in the same way after the Allocation Price is determined.

### **How will my DRP units be treated for subsequent distribution payments?**

- **Full participation:** If you elect full participation, all units held by you at each distribution record date will be treated as participating in the DRP, including any units previously acquired under the DRP or other units acquired.
- **Partial participation:** If you elect partial participation, only the number of units you have specified will be treated as participating in the DRP. If you hold less units than the number of units you have specified in the participation notice/election, then the distributions on the units that you actually hold will be reinvested.

The number of units that will be treated as participating in the DRP may be limited if HDN elects to introduce a minimum or maximum participation limit in the future.

### **What will it cost me to participate?**

Nothing. No brokerage fees, commission or other transaction costs will be payable for any units allocated under the DRP.

### **Can I sell my units when I choose?**

Yes. You can sell any or all of your units at any time. However, if you sell all of your units, your participation in the DRP will cease with effect from the date HDN registers a transfer or instrument of disposal of your holding.

If you elect for full participation and then sell some of your units, the distributions on your remaining units will continue to be reinvested under the DRP. If you elect for partial participation and then sell some of your units, the number of units sold will be deemed to the full extent possible to be non-participating units and the balance, if any, will be deemed to be participating units under the DRP.

### **What are the tax implications of participating?**

- **Australian income tax implications:** The Australian Taxation Office currently treats distributions reinvested under the DRP in the same way as cash distributions received on units which are not participating in the DRP. These comments are general in nature only. You should seek professional taxation advice in relation to your individual circumstances
- **New Zealand income tax implications:** The New Zealand Inland Revenue currently treats distributions reinvested under the DRP in the same way as cash distributions

received on units. HDN takes no responsibility for the taxation consequences of unitholders participating in the DRP, and recommends you obtain professional taxation advice. These comments apply to unitholders who are New Zealand residents for tax purposes and who are not transitional residents. They are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

**Will I receive a distribution statement?**

After each allocation of units under the DRP, a distribution statement will be provided to you in accordance with the manner you ordinarily receive notices from HDN, showing full details of units allocated to you under the DRP. This statement should be kept for your taxation purposes.

**Can the DRP be modified, suspended or cancelled?**

HDN may vary the terms and conditions, alter, suspend or terminate the DRP at any time by notification to the ASX and on the HDN website.

**What happens to any residual value after each distribution?**

The application of the distribution reinvestment formula normally results in a residual amount. This is because your distribution amount will be used to acquire a whole number of units, usually leaving a residual amount which is less than the price of one HDN unit.

For each distribution, if there is a residual amount, then the residual amount on each distribution will be carried forward, without interest, and added to your next distribution.

**What happens if I leave the DRP?**

If you cease to participate in the DRP for any reason, or the DRP is suspended or terminated by HDN, any positive residual balance in your DRP account will be paid to you (subject to retention of any amount which is less than \$5, unless you request payment, in the case of suspension).

**How do I find out about HDN's historic distribution amounts?**

HDN's historic distribution amounts are available on the ASX website at:  
<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.hdn>

**Need more information?**

If you have further questions (other than on taxation) about how the DRP operates and how you can participate, please contact Link Market Services on +61 1300 554 474.