Home Consortium

ASX RELEASE

5 November 2021

Restructure Proposal - Court Approval to Despatch Shareholder Booklet and Convene Scheme Meeting

Home Consortium Limited (**HCL**) and Home Consortium Developments Limited (**HCDL**) (together, **HomeCo**) (ASX: HMC) are pleased to announce that the Supreme Court of New South Wales (**Court**) has made orders approving the despatch of the Shareholder Booklet in relation to the proposal for the simplification of the HomeCo structure from a stapled company structure to a single company structure, with HCL becoming the sole listed entity of HomeCo (**Proposal**).

The Court has also ordered that a Scheme Meeting of HomeCo shareholders be convened to consider and vote on a scheme of arrangement (**Scheme**) to implement the acquisition of HCDL shares by HCL under the Proposal.

Extraordinary General Meetings will be convened on the same day as the Scheme Meeting to approve other components of the Proposal, including the destapling of shares in HomeCo, to occur immediately prior to the implementation of the Scheme, and the consolidation of shares in Home Consortium Limited, to occur immediately subsequent to the implementation of the Scheme (together, the **Meetings**).

The Proposal requires the approval of HomeCo shareholders at each of the Meetings commencing on **Friday, 10 December 2021 from 10.30am (Sydney time) (or as soon thereafter as the AGM has concluded) as a virtual meeting.**

Implementation of the Proposal remains subject to the satisfaction or waiver (as applicable) of certain conditions precedent.

Information relating to the Proposal, including the notices convening the Meetings and the Independent Expert's Report, is included in the attached Shareholder Booklet, which has been registered with the Australian Securities and Investments Commission today.

The Shareholder Booklet is expected to be sent to HomeCo shareholders by 9 November 2021. HomeCo shareholders who have elected to receive hard copy communications only will be sent the Shareholder Booklet by post and all other shareholders will either be sent the Shareholder Booklet electronically or, if they do not have an electronic address, will be sent materials by post directing them how to access the Shareholder Booklet electronically. The Shareholder Booklet sets out the information HomeCo shareholders require to evaluate the Proposal as well as instructions on how to vote.

Unanimous Board Recommendation

For the reasons outlined in the Shareholder Booklet, the HomeCo Directors believe that the Proposal is in the best interests of HomeCo shareholders and unanimously recommend that HomeCo shareholders vote in favour of the resolutions at the Meetings.

Independent Expert's Recommendation

HomeCo has engaged Grant Thornton Corporate Finance Pty Ltd as Independent Expert to opine on whether the Scheme, in the context of the Proposal, is in the best interests of HomeCo shareholders. The Independent Expert has considered the Proposal and concluded that the advantages of the Proposal outweigh the disadvantages and accordingly the Scheme is in the best interests of HomeCo shareholders. The full

Independent Expert's Report, which sets out the reasons for this conclusion in more detail and which HomeCo shareholders are encouraged to read in full, is included at Annexure A to the Shareholder Booklet.

Annual General Meeting 2021

HomeCo's Annual General Meeting will be held on the same day as, and immediately prior to, the Meetings, at 10.00am. A copy of the notice convening the Annual General Meeting will be sent to HomeCo shareholders separately.

Key Dates

Shareholder Booklet despatched to HomeCo shareholders	Tuesday, 9 November 2021
Annual General Meeting, Scheme Meeting and Extraordinary General Meetings	Commencing from 10.00am on Friday, 10 December 2021
Second Court Hearing	Tuesday, 14 December 2021
Effective Date	Wednesday, 15 December 2021
Proposal Record Date	7.00pm on Friday, 17 December 2021
Implementation Date	Friday, 24 December 2021

All details in the above timetable are indicative only and are subject to change. Any changes will be announced by HomeCo on the ASX.

For more information

For more information or any questions in relation to the Proposal, the Meetings or the Shareholder Booklet, please call the HomeCo Shareholder Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday.

-ENDS-

For further information, please contact:

INVESTORS

Misha Mohl
Group Head of Strategy & IR
+61 422 371 575
misha.mohl@home-co.com.au

Will McMicking
Group Chief Financial Officer
+61 451 634 991
william.mcmicking@home-co.com.au

MEDIA

John Frey
Corporate Communications Counsel
+61 411 361 361
john@brightoncomms.com.au

=

Authorised for release by the Home Consortium Board

About HomeCo

HomeCo is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds. HomeCo is well capitalised and resourced to internally fund its strategy to grow FUM to $5bn+ in the medium term by leveraging its 'Own, Develop and Manage' model.

HomeCo is the manager of HomeCo Daily Needs REIT (HDN) which listed in Nov-20 and owns approximately $1.8bn of assets. HDN recently announced a proposal to merge with Aventus Group (AVN) to create Australia's leading daily needs REIT with a combined portfolio size of $4.1bn and market capitalisation of approximately $3.3bn. HomeCo's second ASX-listed externally managed vehicle, HealthCo Healthcare and Wellness REIT (HCW) listed in September 2021.

Home Consortium

Home Consortium Limited (ACN 138 990 593)
Home Consortium Developments Limited (ACN 635 859 700)

SHAREHOLDER BOOKLET

In relation to a proposal for a restructure under which Home Consortium Limited will acquire all the shares in Home Consortium Developments Limited and become the single head entity of Home Consortium.

VOTE IN FAVOUR

Home Consortium Directors unanimously recommend that you **vote in favour** of the Proposal.

This is an important document and requires your immediate attention. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Proposal. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser. If you have recently sold all your Home Consortium Stapled Shares, please ignore this Shareholder Booklet. Home Consortium has established a Home Consortium Shareholder Information Line which you should call if you have any questions in relation to the Proposal. The telephone number for the Home Consortium Shareholder Information Line is 1300 554 474 (within Australia) and +61 1300 554 474 (outside Australia). The Home Consortium Shareholder Information Line is open between Monday and Friday from 9.00am to 5.00pm (AEST) until Sydney time).

Legal Adviser

KING&WOOD MALLESONS
金杜律师事务所

Important notices

General

This Shareholder Booklet is issued by Home Consortium which comprises Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700).

This Shareholder Booklet contains details of a Proposal to restructure and simplify Home Consortium's existing corporate structure so that Home Consortium Limited will become the single head entity of Home Consortium, and describes the Home Consortium Shareholder approvals that are required to implement the Proposal.

Home Consortium Shareholders are encouraged to read this Shareholder Booklet in its entirety before making a decision as to how to vote on the Resolutions to be considered at the Meetings.

Purpose of Shareholder Booklet

The purpose of this Shareholder Booklet is to explain the terms of the Proposal and the manner in which the Proposal will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of Home Consortium Shareholders whether or not to approve the Proposal. This Shareholder Booklet includes the explanatory statement required to be sent to Home Consortium Shareholders under Part 5.1 of the Corporations Act in relation to the Proposal.

Responsibility for information

Except for the Independent Expert's Report, the information contained in this Shareholder Booklet has been prepared by, and is the responsibility of, Home Consortium Limited and Home Consortium Developments Limited.

Grant Thornton Corporate Finance Pty Ltd has prepared the Independent Expert's Report set out in Annexure A, and takes responsibility for that report.

ASIC and ASX

A copy of this Shareholder Booklet was provided to ASIC under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Shareholder Booklet in accordance with section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing. Neither ASIC nor its officers take any responsibility for the contents of this Shareholder Booklet.

A copy of this Shareholder Booklet has been lodged with ASX. Neither ASX nor its officers take any responsibility for the contents of this Shareholder Booklet.

Court

The Court is not responsible for the contents of this Shareholder Booklet and, in ordering that the Scheme Meeting be held, the Court does not in any way indicate that the Court has approved or will approve the terms of the Scheme. An order of the Court under section 411(1) of the Corporations Act is not an endorsement of, or any other expression of opinion on, the Scheme.

Future matters and intentions

Certain statements in this Shareholder Booklet relate to the future. These statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Home Consortium to be materially different from future results, performance or achievements expressed or implied by those statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand. These statements only reflect views held as at the date of this Shareholder Booklet.

Other than as required by law neither Home Consortium nor any other person gives any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this Shareholder Booklet will actually occur. You are cautioned about relying on any such forward looking statements in this Shareholder Booklet. Additionally, statements of the intentions of Home Consortium reflect Home Consortium's present intentions as at the date of this Shareholder Booklet and may be subject to change.

No investment advice

This Shareholder Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation and particular needs of individual Home Consortium Shareholders. This Shareholder Booklet should not be relied upon as the sole basis for any investment decision in relation to the Proposal or your Home Consortium Stapled Shares. Before making an investment decision in relation to the Proposal or your Home Consortium Stapled Shares, including any decision to vote for or against the Proposal, you should consider, with or without the assistance of a financial adviser, whether that decision is appropriate in the light of your particular investment needs, objectives and financial circumstances. If you are in any doubt about what you should do, you should consult your legal, financial or other professional adviser before making any investment decision in relation to the Proposal or your Home Consortium Stapled Shares.

Shareholders outside Australia

This Shareholder Booklet complies with the disclosure requirements applicable in Australia, which may be different to those in other countries.

Financial information in this Shareholder Booklet has been prepared in accordance with Australian Accounting Standards and is presented in an abbreviated form and does not contain all the disclosures that are usually provided in a financial report prepared in accordance with the Corporations Act.

Australian disclosure requirements may differ from those applicable in other jurisdictions.

Taxation implications of the Proposal

Section 5 provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Home Consortium Shareholders as a result of the implementation of the Proposal. It does not purport to be a complete analysis or to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of individual Home Consortium Shareholders.

Home Consortium Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Proposal in the relevant jurisdiction.

Privacy

Home Consortium and the Share Registry may collect personal information in the process of conducting the Meetings and implementing the Proposal. The personal information may include the names, addresses, contact details and security holdings of Home Consortium Shareholders and the names of persons appointed by Home Consortium Shareholders as proxies, attorneys or corporate representatives at the Meetings. The collection of some of this personal information is required or authorised by the Corporations Act.

The primary purpose of collecting this personal information is to assist Home Consortium in the conduct of the Meetings and to enable the Proposal to be implemented by Home Consortium in the manner described in this Shareholder Booklet. The personal information may be disclosed to the Share Registry, print and mail service providers, authorised securities brokers and any other service provider to the extent necessary to effect the Proposal.

If the information outlined above is not collected, Home Consortium may be hindered in, or prevented from, conducting the Meetings and implementing the Proposal.

Home Consortium Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) if they wish to exercise these rights.

Home Consortium Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of the matters outlined above.

The Privacy Policy of Home Consortium is available at https://investors.home-co.com.au/investor-centre/?page=corporate-governance and contains information about how an individual may access personal information about the individual that is held by Home Consortium, seek the correction of such information or make a privacy related complaint and how such a compliant will be dealt with.

Notice of Meetings

The Notice of Scheme Meeting is set out in Annexure C.

The Notice of HCL General Meeting is set out in Annexure D.

The Notice of HCDL General Meeting is set out in Annexure E.

Home Consortium website

The content of Home Consortium's website does not form part of this Shareholder Booklet and Home Consortium Shareholders should not rely on its content.

Any references in this Shareholder Booklet to a website is a textual reference for information only and no information in any website forms part of this Shareholder Booklet.

Supplementary information

Home Consortium has established a Home Consortium Shareholder Information Line which you should call if you have any questions or require further information. The telephone number is 1300 554 474 (within Australia) and +61 1300 554 474 (outside Australia). The Home Consortium Shareholder Information Line is open between Monday and Friday from 9.00am to 5.00pm. Home Consortium Shareholders should consult their legal, financial or other professional adviser before making any decision regarding the Proposal.

In certain circumstances, Home Consortium may provide additional disclosure to Home Consortium Shareholders in relation to the Proposal after the date of this Shareholder Booklet. To the extent applicable, Home Consortium Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Proposal.

Interpretation

Capitalised terms and certain abbreviations used in this Shareholder Booklet have the meanings set out in the Glossary at the back of this Shareholder Booklet. The documents reproduced in the annexures to this Shareholder Booklet may have their own defined terms, which are sometimes different from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Shareholder Booklet. All numbers are rounded unless otherwise indicated.

Unless otherwise specified, all references to $, A$, AUD and cents are references to Australian currency.

All references to times in this Shareholder Booklet are references to time in Sydney, unless otherwise stated.

Date

This Shareholder Booklet is dated 5 November 2021.

Table of Contents

Important Dates

Key Dates leading up to and including the Meetings

Indicative Time and Date	Event
Thursday, 4 November 2021	First Court Hearing at which the Court ordered the convening of the Scheme Meeting
10.00am on Wednesday, 8 December	Latest time and date by which the HCL AGM proxy form and HCDL AGM proxy form must be received by the Share Registry
10.30am on Wednesday, 8 December	Latest time and date by which the Scheme Meeting Proxy Form must be received by the Share Registry
10.45am on Wednesday, 8 December	Latest time and date by which the HCL General Meeting Proxy Form must be received by the Share Registry
11.00am on Wednesday, 8 December	Latest time and date by which the HCDL General Meeting Proxy Form must be received by the Share Registry
7.00pm on Wednesday, 8 December	Time and date for determining eligibility to vote at the HCL AGM, HCDL AGM, Scheme Meeting, HCL General Meeting and HCDL General Meeting
10.00am on Friday, 10 December 2021	HCL AGM and HCDL AGM to be held
10.30am (or as soon thereafter as the HCL AGM and HCDL AGM have been concluded or adjourned) on Friday, 10 December 2021[1]	Scheme Meeting to be held
10.45am (or as soon thereafter as the Scheme Meeting has been concluded or adjourned) on Friday, 10 December 2021	HCL General Meeting to be held
11.00am (or as soon thereafter as the HCL General Meeting has been concluded or adjourned) on Friday, 10 December 2021	HCDL General Meeting to be held
Following the Meetings	
Tuesday, 14 December 2021	Second Court Hearing for approval of the Scheme
Wednesday, 15 December 2021	Effective Date for the Proposal and last day of trading in Home Consortium Stapled Shares on ASX
Thursday, 16 December 2021	HCL Shares commence deferred settlement trading on a post Proposal basis
7.00pm on Friday, 17 December 2021	Proposal Record Date for determining entitlement to participate in the Proposal
Friday, 24 December 2021	Implementation of the Proposal (**Proposal Implementation Date**)
Friday, 24 December 2021	Last day of trading in HCL Shares on a deferred settlement post Proposal basis
Wednesday, 29 December 2021	Removal of HCDL from the official list of ASX
Wednesday, 29 December 2021	HCL Shares commence normal settlement trading on a post Proposal basis

Other than the date of the First Court Hearing, all dates and times are indicative only. Home Consortium reserves the right to vary these dates and times in its absolute discretion. Any changes to the above timetable (which may include an earlier Second Court Hearing) will be announced through ASX and notified on https://investors.home-co.com.au/investor-centre/?page=asx-announcements. All references to time in this Shareholder Booklet are references to Sydney time.

1. Home Consortium anticipates that a recess of approximately 5 minutes will occur between the Meetings to allow Home Consortium Shareholders to access the online link for the next Meeting.

Chair’s letter

Dear Home Consortium Shareholder,

This Shareholder Booklet explains the proposal for simplification of Home Consortium from a stapled company structure (being comprised of HCL and HCDL) to a single company structure, referred to as “the Proposal” throughout this Shareholder Booklet.

This simplification is achieved principally by:

- destapling HCL Shares from HCDL Shares (such that HCL Shares and HCDL Shares are not required to be dealt with together);
- transferring all of the HCDL Shares to HCL in exchange for HCL Shares; and
- consolidating the number of HCL Shares on issue so that Eligible Shareholders will hold one share in HCL for each Home Consortium Stapled Share they currently hold (subject to rounding).

Following the transfer of all of the HCDL Shares to HCL, HCDL will be delisted and the entire business of Home Consortium (including HCDL) will be held by HCL, which will remain listed on the ASX.

There will be no change to Home Consortium’s underlying business and operations, or Home Consortium Shareholders’ interests in them (other than for Ineligible Foreign Shareholders), after the Proposal is implemented.

Further detail on the key steps for Home Consortium to undertake the Proposal are set out in section 2 of this Shareholder Booklet.

Advantages and disadvantages of the Proposal

The key advantages of the Proposal include the delivery of reporting and administrative efficiencies for both Home Consortium and Home Consortium Shareholders. Direct savings for Home Consortium are estimated to be approximately $0.15 million per annum. Reporting benefits are also expected to be realised by Home Consortium Shareholders given that Home Consortium’s existing stapled structure requires Home Consortium Shareholders to track the tax cost base of both HCL and HCDL for reporting purposes.

While the Home Consortium Board considers the benefits of the Proposal to be clear, potential disadvantages of the Proposal include Home Consortium incurring transaction costs of approximately $1.5 million (exclusive of non-recoverable GST, if applicable) if the Proposal is implemented, the exclusion of Ineligible Foreign Shareholders from participation in the Proposal and there being certain trading restrictions during the implementation of the Proposal.

The advantages and disadvantages of the Proposal are set out in more detail in sections 2.5 and 2.6 of this Shareholder Booklet.

Grant Thornton Corporate Finance Pty Ltd, the Independent Expert who has considered the Proposal, has concluded that the advantages of the Proposal outweigh the disadvantages and accordingly the Scheme is in the best interests of the Home Consortium Shareholders. The full Independent Expert’s Report, which sets out the reasons for this conclusion in more detail and which you are encouraged to read in full, is included at Annexure A to this Shareholder Booklet.

On balance the Home Consortium Board believes that the advantages of the Proposal outweigh the disadvantages and risks of the Proposal.

Accordingly, the Home Consortium Directors unanimously recommend that you vote in favour of all Resolutions to approve the Proposal for the reasons outlined. All Home Consortium Directors intend to vote their own holdings in favour of the Proposal.

Home Consortium Shareholder vote

The Proposal requires Home Consortium Shareholder approval in order to proceed and for Home Consortium Shareholders to benefit from the advantages of the Proposal. The following Resolutions are required to be voted on by Home Consortium Shareholders to implement the Proposal:

- resolutions of both HCL and HCDL to approve the destapling of all the HCL Shares from the HCDL Shares (which must be passed by at least 75% of the votes cast by Home Consortium Shareholders (in their capacity as both HCL Shareholders and HCDL Shareholders) entitled to vote);
- resolution to approve the scheme of arrangement proposed between HCDL and HCDL Shareholders for the purposes of section 411 of the Corporations Act (which must be passed by a majority in number of Home Consortium Shareholders (in their capacity as HCDL Shareholders) who voted and 75% of the votes cast by Home Consortium Shareholders entitled to vote); and
- resolution approving the consolidation of HCL Shares for the purposes of section 254H of the Corporations Act (which must be passed by at least 50% of the votes cast by Home Consortium Shareholders (in their capacity as HCL Shareholders) entitled to vote).

Home Consortium Shareholders will be entitled to vote on each Resolution at the Meetings scheduled for Friday, 10 December 2021.

All of the Resolutions must be passed by the required majority for the Proposal to be implemented.

If you are unable to virtually attend the Meetings but wish to vote on the Resolutions, you should return the Proxy Forms in accordance with the instructions provided or vote online at www.linkmarketservices.com.au.

If you hold Home Consortium Stapled Shares on the Register and have any questions, please contact the Home Consortium Shareholder Information Line on 1300 554 474 (within Australia) or on +61 1300 554 474 (outside Australia) at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday. Alternatively, you may also contact your financial, legal, taxation or other professional adviser.

On behalf of the Home Consortium Board, I would like to take this opportunity to thank you for your support and encourage you to vote in favour of the Proposal.

Yours faithfully,

Chris Saxon

Chair
Home Consortium

Actions required by Shareholders

Step 1: Carefully read this Shareholder Booklet

You should read this Shareholder Booklet in full before making any decision on how to vote on the Resolutions required to implement the Proposal.

If you have any questions, you can call the Home Consortium Shareholder Information Line on 1300 554 474 (within Australia) or on +61 1300 554 474 (outside Australia) at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday. If necessary, you should seek your own independent advice on any aspect of the Proposal about which you are not certain.

Step 2: Vote at the Scheme Meeting and General Meetings

Who is entitled to vote?

Home Consortium Shareholders who are registered on the Register at 7.00pm on 8 December 2021 may vote at the Scheme Meeting and the General Meetings.

How will the Scheme Meeting and General Meetings be held?

Due to the COVID-19 pandemic, Home Consortium has decided to hold the Scheme Meeting and General Meetings virtually. The Meetings are being arranged to ensure all Home Consortium Shareholders can participate and have their views and opinions put forward on this important decision for Home Consortium Shareholders. Home Consortium Shareholders and their proxies, attorneys or corporate representatives will not be able to attend a physical meeting.

How to vote

The Meetings will be held as virtual meetings using an online platform which will allow Home Consortium Shareholders to vote, ask questions and participate electronically in real-time, rather than attend the meetings at a physical venue. All Home Consortium Group Shareholders participating virtually will be deemed to be present at the Meetings. You may vote by participating in the Meetings this way. A Virtual Meeting User Guide is available at https://investors.home-co.com.au/investor-centre/.

Home Consortium Shareholders entitled to participate and vote at the virtual Meetings may vote:

a. **by direct voting online during the Meetings** – you can participate in the Meetings online on the day of the meetings by visiting https://meetings.linkgroup.com/HMC2102 (for the Scheme Meeting), https://meetings.linkgroup.com/HMC2103 (for the HCL General Meeting) and https://meetings.linkgroup.com/HMC2104 (for the HCDL General Meeting) on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible. Please ensure you have your Voting Access Code (refer to the Proxy Forms or your Notice of Scheme Meeting, Notice of HCL General Meeting or Notice of HCDL General Meeting email (as applicable)), as you will need this to log in;

b. **by appointing a proxy to participate in the Meetings and vote on your behalf** – in order to be valid, online proxy voting or completed Proxy Forms should be submitted and received no later than 10.30am (for the Scheme Meeting Proxy Form), 10.45am (for the HCL General Meeting Proxy Form) and 11.00am (for the HCDL General Meeting Proxy Form) on 8 December 2021 using on the following methods:

   i. **Vote online at:** www.linkmarketservices.com.au

   ii. **Mail** the Proxy Forms to:
   Link Market Services
   Locked Bag A14,
   Sydney South NSW 1235

   iii. **Fax** the Proxy Forms to: + 61 2 9287 0309

   iv. **Deliver** the Proxy Forms to:

   Level 12,
   680 George Street,
   Sydney NSW 2000

c. **by appointing an attorney to participate in the Meetings and vote on your behalf** – Home Consortium Shareholders may appoint an attorney to participate and vote at the Meetings on their behalf. Such an appointment must be made by a duly executed power of attorney, which must be received by the Share Registry by 10.30am (for the Scheme Meeting), 10.45am (for the HCL General Meeting) and 11.00am (for the HCDL General Meeting) on 8 December 2021, unless it has been previously provided to the Share Registry; or

d. **by appointing a corporate representative to participate in the Meetings and vote on your behalf** – Home Consortium Shareholders who are bodies corporate may have a corporate representative attend and vote at the Meetings on their behalf. Persons participating in the Meetings as a corporate representative should provide to the Share Registry evidence of their appointment, including any authority under which the document appointing them as corporate representative was signed.

Step 3: Participate in the Proposal

If you are eligible and wish to participate in the Proposal you will need to ensure that you hold your Home Consortium Stapled Shares on the Proposal Record Date being 7.00pm on 17 December 2021.

You do not need to do anything else to participate in the Proposal.

The first day you can trade the HCL Shares that you will receive under the Proposal is Thursday, 16 December 2021 on a deferred settlement basis on the ASX. On this day, you will not have received your new post Proposal holding statement which sets out the new number of HCL Shares you hold. If you trade your new HCL Shares on the ASX in this period you do so at your own risk.

Post Proposal holding statements are expected to be despatched on Friday, 24 December 2021 and you should receive your post Proposal holding statement in the subsequent days. Normal T+2 settlement trading of the new HCL Shares will commence on Wednesday, 29 December 2021. Settlement of on-market trades conducted on a deferred settlement basis on the ASX as well as settlement of trades conducted on Wednesday, 29 December 2021 on a normal T+2 settlement basis on the ASX will be on Friday, 31 December 2021.

Ineligible Foreign Shareholders

Ineligible Foreign Shareholders will not receive HCL Shares under the Scheme but will instead receive the proceeds from the sale of the new HCL Shares which they would have otherwise received. Ineligible Foreign Shareholders should see Section 2.12 of this Shareholder Booklet for further information.

SECTION 1

Q&A

This Shareholder Booklet contains detailed information regarding the Proposal. The following section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Shareholder Booklet.

Details of the Proposal

Topic	Summary	Reference
What is the Proposal?	Home Consortium is currently comprised of a stapled company structure, under which HCL Shares and HCDL Shares are stapled such that they can only be dealt with together. The Proposal will simplify the Home Consortium company structure by destapling the HCL Shares from the HCDL Shares (such that they are not required to be dealt with together) and transferring the HCDL Shares to HCL. In consideration for transferring HCDL Shares to HCL, Eligible Shareholders will be issued new HCL Shares at the Exchange Ratio, being approximately 1.65 HCL Shares for each Home Consortium Stapled Share they hold on the Proposal Record Date.	Section 2.2
What are the key steps required to implement the Proposal?	The key steps involved in the Proposal are: • the destapling of the HCL Shares from the HCDL Shares such that they are not required to be dealt with together; • the issuing of new HCL Shares to Eligible Shareholders at the Exchange Ratio, being approximately 1.65 HCL Shares for each Home Consortium Stapled Share they hold on the Proposal Record Date; • in consideration for the issue of HCL Shares to Eligible Shareholders, the acquisition by HCL of all the HCDL Shares from Home Consortium Shareholders; • the consolidation of HCL Shares on issue so that Eligible Shareholders who participate in both the Scheme and the Share Consolidation will hold one HCL Share for each Home Consortium Stapled Share they currently hold (subject to rounding); and • the delisting of HCDL.	Section 2.2

Topic	Summary	Reference
What is the effect of the Proposal on the business of Home Consortium?	Home Consortium's existing business and operations will not change as a result of the implementation of the Proposal. Similarly, there will be no new funds raised, nor any acquisition or disposal of businesses or assets as part of the Proposal. The Home Consortium Directors and the Home Consortium management team will not change as a result of the Proposal. Similarly, the current policies of Home Consortium relating to the employment of its employees will continue.	Section 2.2
Where can I find more information about the financial impact of the Proposal?	The financial impact of the Proposal, including the pro forma historical balance sheet of Home Consortium as at 30 June 2021 and impact on future distributions is set out in section 4.	Section 4
Why is Home Consortium undertaking the Proposal and what are the benefits to Home Consortium Shareholders?	The Home Consortium Directors consider that the Proposal will deliver key benefits to Home Consortium Shareholders, as further set out in section 2.5. The advantages and potential disadvantages of the Proposal are set out in sections 2.5 and 2.6.	Sections 2.5 and 2.6
Will my interest as a Home Consortium Shareholder change if the Proposal is implemented?	If the Proposal is implemented, Home Consortium Shareholders will no longer hold Home Consortium Stapled Shares and will instead only hold HCL Shares. The Proposal will not result in any significant change to the overall investment of Home Consortium Shareholders. Eligible Shareholders will continue to hold the same proportionate interest in Home Consortium following implementation of the Proposal (subject to rounding). Ineligible Foreign Shareholders (being those located in jurisdictions where it is not practicable to issue new HCL Shares due to legal and other restrictions) will have their new HCL Shares sold through the Sale Facility. See section 6.6 for more details on the Sale Facility process.	Section 2.2
What impact will the Proposal have on distributions?	The Proposal will have no impact to the FY22 dividend guidance of 12.0 cents per security provided at the FY22 financial results on 25 August 2021.	N/A
What are the overall costs of the Proposal?	Total overall transaction costs of the Proposal for Home Consortium, if implemented, are expected to be $1.5 million (exclusive of non-recoverable GST, if applicable).	Section 2.3
Must I pay any cash consideration as part of the Proposal?	No. Home Consortium Shareholders are not required to pay any cash consideration in connection with the Proposal.	N/A
What are my tax implications as a result of the Proposal?	A general summary of the Australian tax implications of the Proposal is included in section 5. As the summary of Australian tax implications in section 5 is general in nature and is not intended to consider the specific objectives, situation or needs of each Home Consortium Shareholder, which can affect the tax consequences of the Proposal, Home Consortium Shareholders should not rely on this summary of Australian tax implications in section 5 and should seek appropriate independent professional advice that considers the taxation implications in respect of their own particular circumstances.	Section 5

Topic	Summary	Reference
What happens if I am an Ineligible Foreign Shareholder?	Ineligible Foreign Shareholders will not receive new HCL Shares under the Scheme. Instead, the Sale Agent will be issued HCL Shares in respect of those Ineligible Foreign Shareholders in the same way as other Home Consortium Shareholders, and on implementation of the Scheme, the Sale Agent will hold the HCL Shares that would otherwise have been held by Ineligible Foreign Shareholder. Following implementation of the Scheme, the Sale Agent will sell or procure the sale of the HCL Shares the Sale Agent holds in the ordinary course of trading on the ASX. The sale proceeds (less certain expenses, including applicable taxes) will subsequently be paid to Ineligible Foreign Shareholders.	Section 2.12

The Scheme

Topic	Summary	Reference
What is the Scheme?	The Scheme is a scheme of arrangement between HCDL and all Home Consortium Shareholders (in their capacity as HCDL Shareholders) under which HCL will acquire all of the HCDL Shares held by the Home Consortium Shareholders and, as consideration, Eligible Shareholders will be issued new HCL Shares at the Exchange Ratio, being approximately 1.65 HCL Shares for each HCDL Share they hold. The terms of the Scheme are set out in full in Annexure B.	Annexure B
How is the Scheme approved?	The Scheme is a scheme of arrangement under the Corporations Act. It requires an order from the Court approving the convening of the Scheme Meeting, which has already been obtained. If all of the Resolutions are approved by Home Consortium Shareholders at the Meetings, the Second Court Hearing will then be held to obtain orders from the Court formally approving the Scheme.	Section 6.4
Why does approval of the Scheme need to go to Court?	Schemes of arrangement are brought before the Court in order to obtain certain orders and directions. Home Consortium has already had the First Court Hearing and obtained orders from the Court approving the convening of the Scheme Meeting.	Section 6.4
Why is the Second Court Hearing needed?	The Second Court Hearing is needed to obtain orders from the Court pursuant to section 411(4)(b) and section 411(6) of the Corporations Act approving the Scheme and permitting it to be implemented.	Section 6.4
When will the Scheme become effective?	The Scheme will become Effective when a copy of the orders of the Court approving the Scheme are lodged with ASIC.	Section 6.4
Are there any conditions to be satisfied for the Scheme to be implemented?	The Scheme is subject to the following conditions: • Home Consortium Shareholders passing all of the Resolutions; • the Court approving the Scheme; • receipt of relevant regulatory approvals, relief and waivers, including from ASIC and ASX; • no court issuing an order, decree or ruling or taking other action which permanently restrains or prohibits the Proposal, or any other material legal restraint or prohibition preventing the implementation of the Proposal; • no regulatory action in consequence of or in connection with the Proposal which restrains or prohibits, or otherwise materially adversely affects, the implementation of the Proposal; and • all approvals of a third party which Home Consortium considers reasonably necessary to implement the Proposal being obtained on terms acceptable to Home Consortium.	Section 6.2

The Meetings

Topic	Summary	Reference
What resolutions will be considered at the Scheme Meeting?	A resolution (being the Scheme Resolution) for the purposes of approving the scheme of arrangement proposed between HCDL and the Home Consortium Shareholders (in their capacity as HCDL Shareholders) for the purposes of section 411 of the Corporations Act.	Section 6.4
Why are the General Meetings being held in addition to the Scheme Meeting?	The General Meetings are necessary for Home Consortium Shareholders to consider, and if thought fit, pass the General Meetings Resolutions which relates to matters that are necessary and in addition to the Scheme Resolution for the implementation of the Proposal.	Sections 6.3 and 6.7
What resolutions will be considered at the General Meetings?	The following resolutions (being the General Meetings Resolutions) will be put to the vote at the General Meetings: • the Destapling of the HCL Shares from the HCDL Shares; and • the Share Consolidation of HCL Shares immediately following HCL's acquisition of all of the HCDL Shares.	Sections 6.3 and 6.7
Can I vote differently on each Resolution?	Yes. However, in order for the Proposal to be implemented, all Resolutions are required to be approved by the requisite majorities of Home Consortium Shareholders as the Resolutions are all inter-conditional.	Section 2.10
What are the requisite majorities for passing the resolutions?	Different approval thresholds apply to the Resolutions. The approval thresholds for each of the Resolutions are as follows: • the Scheme Resolution will be passed only if it is passed by a majority in number of Home Consortium Shareholders (in their capacity as HCDL Shareholders) who voted (in person or by proxy or by representative) and 75% of the votes cast by Home Consortium Shareholders entitled to vote; and • the resolutions of both HCL and HCDL approving the Destapling of Home Consortium Stapled Securities will be passed only if they have been passed by at least 75% of the votes cast by Home Consortium Shareholders entitled to vote; and • the resolution approving the Share Consolidation of HCL Shares immediately following the acquisition of all of the HCDL Shares for the purposes of section 254H of the Corporations Act will be passed only if it has been passed by at least 50% of the votes cast by Home Consortium Shareholders entitled to vote.	Sections 6.3, 6.4 and 6.7
What if I do not vote on the Resolutions or vote against a Resolution?	If you do not vote on the Resolutions, or vote against a Resolution, and the Resolutions are approved by the requisite majorities of Home Consortium Shareholders, the Proposal will still be implemented if the other conditions are met, and you will be bound to participate in the Proposal if you are on the Register as a Home Consortium Shareholder on the Proposal Record Date.	Section 2.10
What happens if some of the Resolutions are approved but others are not?	The Resolutions are all inter-conditional. If any of the Resolutions are not approved by the requisite majority of Home Consortium Shareholders, the Proposal will not be implemented.	Section 2.10

Topic	Summary	Reference
Where and when do I send my Proxy Forms?	To vote by proxy, you need to complete and return the Proxy Forms accompanying this Shareholder Booklet. You must ensure that your Proxy Forms (and a certified copy of the relevant authority under which they are signed) are received by the Share Registry on behalf of Home Consortium, by no later than 10.30am (for the Scheme Meeting Proxy Form), 10.45am (for the HCL General Meeting Proxy Form) and 11.00am (for the HCDL General Meeting Proxy Form) on Wednesday, 8 December 2021: • online at www.linkmarketservices.com.au • by mail at the Share Registry's postal address at: c/- Link Market Services Locked Bag A14, SYDNEY SOUTH 1235 • in person* at the Share Registry's physical address at: Link Market Services Level 12, 680 George Street, SYDNEY NSW 2000 *during business hours Monday to Friday (9.00am – 5.00pm) and subject to public health orders and restrictions • by fax at the Share Registry's fax number, +61 2 9287 0309.	Annexures C, D and E
When will the results to the Meetings be known?	Home Consortium will announce the results of the Meetings to the ASX once the results have been finalised (expected to be later on 10 December 2021).	N/A

If you have any further questions about the Proposal please call the Home Consortium Shareholder Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) between 9.00am to 5.00pm (Sydney time) Monday to Friday, or visit the website www.linkmarketservices.com.au. If you are in any doubt as to whether to vote in favour of or against any of the Resolutions, you should consult your investment, financial, tax, legal or other professional advisers.

SECTION 2

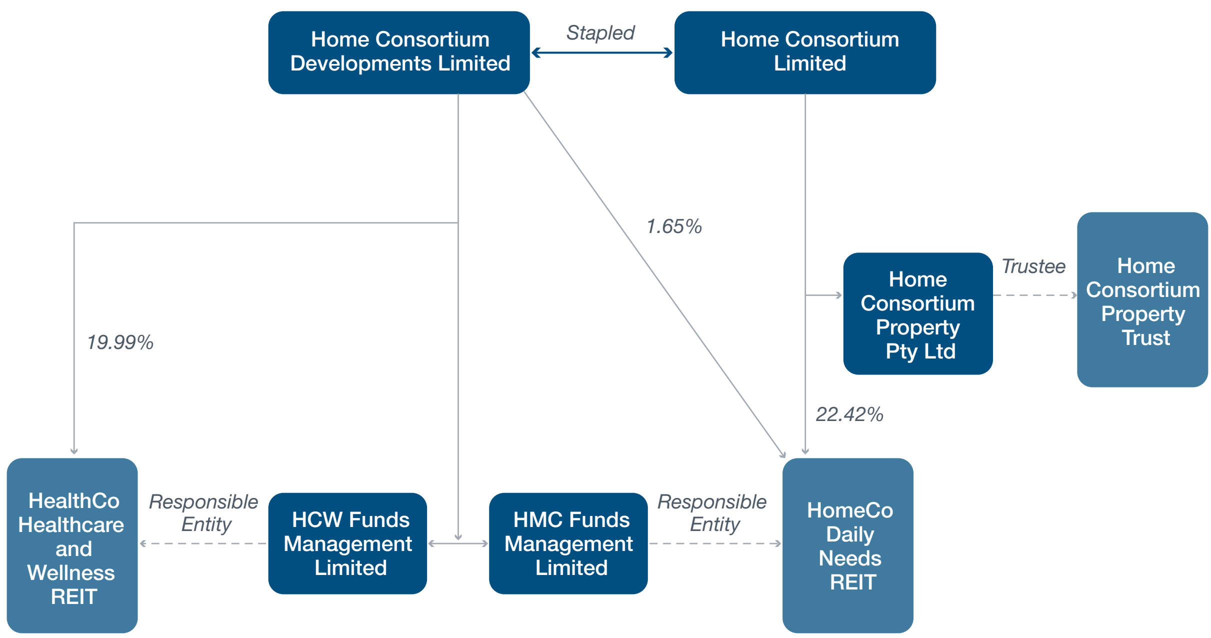
Description of the Proposal

2.1. Background to the Proposal

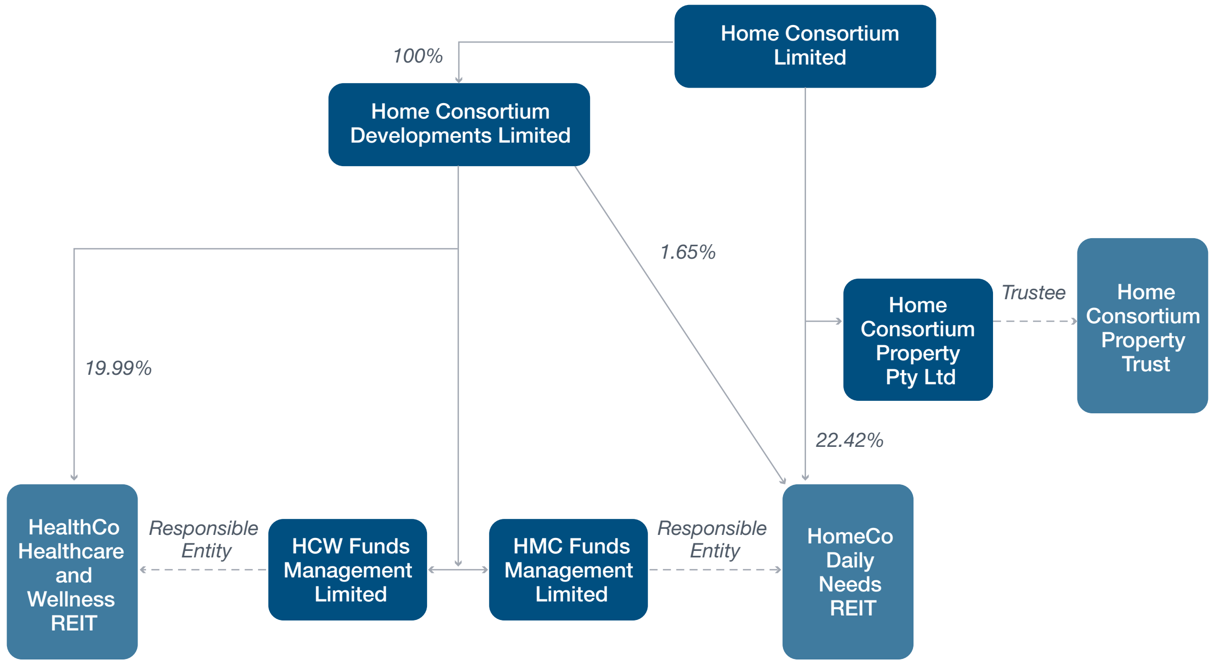
Home Consortium is a stapled group consisting of HCL and HCDL. The group is ASX listed (ASX: HMC), and a Home Consortium Stapled Share comprises one HCL Share and one HCDL Share. Home Consortium Stapled Shares cannot be traded or dealt with separately. Each of HCL and HCDL is run by a common board and senior management team.

On 18 October 2021, Home Consortium announced that it proposes to make changes to simplify the Home Consortium corporate structure, which has resulted in the Proposal being brought to Home Consortium Shareholders for approval.

A simplified diagram of Home Consortium's corporate structure before the implementation of the Proposal is set out below:



A simplified diagram of Home Consortium's corporate structure after the implementation of the Proposal is set out below:



The effect of the Proposal is that Home Consortium will become a simple listed company structure, with HCL holding all of the assets of Home Consortium.

2.2. Description of the Proposal

Overview

The Proposal involves simplifying the Home Consortium company structure by destapling the HCL Shares from the HCDL Shares (such that they are not required to be dealt with together) and transferring the HCDL Shares to HCL, as shown in the structure diagrams in section 2.1.

The Proposal will not result in any change to Home Consortium's underlying business and operations, or Home Consortium Shareholders' interests in them.

Proposal steps

The steps required to implement the Proposal are provided as follows. All Home Consortium Shareholders will participate in the Proposal, provided they hold their shares on the Proposal Record Date (however, Ineligible Foreign Shareholders will not be issued HCL Shares under the Scheme but instead will have them sold through the Sale Facility described in section 6.6).

a. Destapling of HCL Shares and HCDL Shares

HCL Shares and HCDL Shares are currently stapled to each other to form Home Consortium Stapled Shares. This means that HCL Shares cannot be dealt with separately from the corresponding HCDL Shares, and vice versa.

In order to implement the Proposal, HCL Shares must be destapled from HCDL Shares. Following the destapling, HCDL Shares will be able to be dealt with separately to facilitate the transfer of HCDL to HCL, as described in step (b).

b. Issuing of HCL Shares and transfer of HCDL Shares to HCL

HCL will issue new HCL Shares to Eligible Shareholders and the Sale Agent at the Exchange Ratio, being approximately 1.65 HCL Shares for each Home Consortium Stapled Share held at the Proposal Record Date.

In consideration for the issue of HCL Shares, HCL will acquire all of the HCDL Shares. On completion of these transfers, HCDL Shareholders will have transferred 100% of HCDL Shares to HCL and in turn will (including the Sale Agent in respect of Ineligible Foreign Shareholders), in aggregate, own 100% of HCL.

c. Consolidation of HCL Shares

Immediately following the issue of HCL Shares and the acquisition of the HCDL Shares described in step (b), all of the HCL Shares will be consolidated on the basis that every approximately 2.65 HCL Shares will be converted into 1 HCL Share so that Eligible Shareholders will hold one HCL Share for each Home Consortium Stapled Share they currently hold (subject to rounding).

d. Delisting of HCDL

Following implementation of the Proposal, it is anticipated that HCDL will be delisted from the ASX.

2.3. Transaction costs and funding of the Proposal

Home Consortium will incur transaction costs (including legal, accounting, tax, treasury, filing, registration and stamp duty) of approximately $1.5 million (exclusive of non-recoverable GST, if applicable) in connection with the Proposal if implemented (and approximately $1.0 million, inclusive of non-recoverable GST, if applicable, of transaction costs if the Proposal does not proceed).

The $1.0 million of costs partially reflect anticipated advisor costs to the date of the Meetings (legal, tax and accounting), filing fees (ASIC, ASX and other regulatory) and cost of the Meetings (typesetting, printing and despatch). Most of the remaining costs relate to stamp duty (anticipated to be approximately $0.5 million) and implementation costs (tax, accounting, legal, systems related and miscellaneous implementation).

The transaction costs will be funded by existing cash reserves.

Following implementation of the Proposal, Home Consortium's principal sources of funds will continue to be cash flow from investments and other operations and its existing cash reserves and debt facilities. There will be no change to Home Consortium's funding sources as a result of the Proposal.

2.4. Home Consortium Directors' recommendation

The Home Consortium Board has concluded that the Proposal is in the best interests of Home Consortium Shareholders and unanimously recommends Home Consortium Shareholders vote in favour of the Proposal.

The Proposal will not result in any change in Home Consortium Shareholders' proportionate ownership in Home Consortium (apart from Ineligible Foreign Shareholders), the strategy of Home Consortium or the underlying assets held by Home Consortium but will provide investors the benefits described in section 2.5.

The Home Consortium Directors will vote the Home Consortium Stapled Shares they own or control in favour of the Proposal.

2.5. Reasons why you should vote in favour of the Proposal

This section is not intended to set out all the relevant issues for Home Consortium Shareholders in relation to the Proposal. It should be read in conjunction with information contained in other sections of this Shareholder Booklet.

a. *Simplified structure leading to increased reporting and administrative efficiencies*

Home Consortium's current stapled company structure requires the preparation and independent review or audit of two sets of financial statements for ASX reporting purposes bi-annually. The Proposal will facilitate the reduction of the number of external financial statements produced from two sets of financial statements to only one, saving administrative time spent by the finance, tax, treasury, legal, compliance, governance and investor relations teams (and their external advisers) when conducting mandatory reporting and compliance activities. These savings are estimated to equate to approximately $0.15 million per annum, which are expected to be fully realised from Home Consortium's financial year commencing 1 July 2022.

b. *Potential efficiencies for Home Consortium Shareholders*

Home Consortium's current stapled company structure requires Home Consortium Shareholders to track the tax cost base of the individual companies for reporting purposes. Under a simplified single company structure, there will be a decreased administrative burden on Home Consortium Shareholders with respect to their reporting requirements and, consequently, potential for increased investor demand for securities.

In addition, Home Consortium will potentially be able to provide CGT roll-over relief to persons who receive or become Home Consortium Shareholders as a result of any merger and acquisition activity that Home Consortium subsequently engages in. Under the current structure, CGT roll-over relief can only be provided in relation to one of the companies in the structure.

c. *The Independent Expert has concluded that the Scheme is in the best interests of Home Consortium Shareholders*

Please see section 2.7 and Annexure A for further details on the Independent Expert's Report.

2.6. Reasons why you might vote against the Proposal

This section is not intended to set out all the relevant issues for Home Consortium Shareholders in relation to the Proposal. It should be read in conjunction with information contained in other sections of this Shareholder Booklet.

a. *Transaction costs*

Home Consortium will incur one-off transaction costs of approximately $1.5 million (exclusive of non-recoverable GST, if applicable) associated with legal, accounting, tax, treasury, filing, registration and stamp duty if the Proposal is implemented (compared to approximately $1.0 million, inclusive of non-recoverable GST, if applicable, of transaction costs if the Proposal does not proceed). See section 2.3 of this Shareholder Booklet for further details on the transaction costs expected to be incurred in connection with the Proposal.

The Home Consortium Board has considered the benefits of implementing the Proposal against the one-off incurrence of transaction costs and believes that the reporting and administrative savings for Home Consortium and the potential efficiencies for Home Consortium Shareholders (described in further detail in section 2.5) will place Home Consortium in a better position than if the Proposal were not implemented.

b. Sale of new HCL Shares on behalf of Ineligible Foreign Shareholders

Home Consortium Shareholders who are resident in certain foreign jurisdictions are not eligible to participate in the Scheme. Accordingly, after implementation of the Destapling of Home Consortium Stapled Shares, the HCDL Shares held by Ineligible Foreign Shareholders will be transferred to HCL under the Scheme and new HCL Shares will be issued by HCL under the Scheme to the Sale Agent for disposal under the Sale Facility described in section 6.6. The Sale Facility applies only to the HCL Shares which would otherwise be issued to Ineligible Foreign Shareholders under the Scheme in exchange for HCDL Shares. Existing HCL Shares that Ineligible Foreign Shareholders hold as at the Proposal Record Date following the Destapling of HCL Shares from HCDL Shares will not participate in the Sale Facility and continue to be held by Ineligible Foreign Shareholders.

As at the date of this Shareholder Booklet, based on the determinations which Home Consortium has made as described in section 2.12, Home Consortium understands that no Home Consortium Stapled Shares are held by Ineligible Foreign Shareholders. However, this may change depending on trading in Home Consortium Stapled Shares prior to the Proposal Record Date.

c. Trading restrictions during implementation of the Proposal

There will be one short period during implementation of the Proposal where trading in new HCL Shares will be conducted on a deferred settlement basis.

The deferred settlement trading period will run from Thursday, 16 December 2021 to, and including, Friday, 24 December 2021. Trades conducted on a deferred settlement basis on the ASX during this period will settle on Friday, 31 December 2021.

2.7. Independent Expert's Report

The Independent Expert appointed to review the Proposal, Grant Thornton Corporate Finance Pty Ltd, has concluded that the advantages of the Proposal outweigh the disadvantages and accordingly the Scheme is in the best interests of the Home Consortium Shareholders.

The factors taken into account in reaching this conclusion, and an assessment of the advantages and disadvantages (including risks) of the Proposal, are set out in the Independent Expert's Report at Annexure A. The Home Consortium Directors encourage you to read the Independent Expert's Report in full.

2.8. Risks of the Proposal

If the Proposal is implemented, Home Consortium Shareholders will continue to be exposed to the existing risks associated with their current investment in Home Consortium. The underlying business and operations of Home Consortium will not change as a result of, or following, the implementation of the Proposal and through their holding of new HCL Shares. These risks are described in section 3.5 of this Shareholder Booklet.

In addition, there are tax specific risks associated with the Proposal. If CGT roll-over is not available in respect of the Scheme, Home Consortium Shareholders would be required to include any capital gain realised on the disposal of their HCDL Shares in their Australian assessable income. Home Consortium has applied to the ATO for a Class Ruling to confirm that scrip for scrip roll-over is available for Australian resident Home Consortium Shareholders who would otherwise realise a capital gain in respect of the Scheme. Although it is not expected to be the case, it is possible that the Class Ruling will not be obtained, the Class Ruling expresses a view contrary to that set out in section 5, and/or the ATO does not consider CGT roll-over is available in respect of the Scheme. For further information on the expected tax implications of the Proposal, which includes the Scheme, see section 5 of this Shareholder Booklet.

Further, Home Consortium has received consent to the Proposal under its existing debt facility with ANZ subject to satisfying certain conditions (including amending the existing debt facility to reflect the Proposal). Failure to satisfy those conditions may impact on Home Consortium's ability to implement the Proposal.

2.9. Implications if the Proposal is not approved

If the Proposal does not proceed for any reason:

- Home Consortium will remain as a stapled company structure;
- the Home Consortium Stapled Shares will continue to trade on the ASX;
- Home Consortium will incur transaction costs of approximately $1.0 million (inclusive of non-recoverable GST, if applicable, and relating primarily to anticipated advisor costs to the date of the Meetings, filing fees and Meeting costs) without realising any of the benefits garnered by successful execution of the Proposal;
- Home Consortium will not realise the anticipated reporting and administrative efficiencies cost savings of approximately $0.15 million per annum; and
- Home Consortium Shareholders will be required to continue to track the tax cost base of the individual companies within Home Consortium's current stapled structure for reporting purposes.

2.10. Resolutions

There are a number of Resolutions that need to be passed at the Meetings for the Proposal to proceed. All Resolutions are inter-conditional, which means that if one Resolution is not passed, the Proposal will not proceed. Home Consortium Shareholder approval is required to:

- approve the Destapling (see section 6.3);
- approve the Scheme (see section 6.4); and
- approve the Share Consolidation (see section 6.7).

Different approval thresholds apply to the Resolutions. Some of the Resolutions require the approval of at least 75% of the votes cast and of a majority in number of Home Consortium Shareholders voting (see section 6.9). If the Resolutions are passed, and the other conditions to the Proposal are satisfied (including the approval of the Court), each Eligible Shareholder will participate in the Proposal, regardless of whether they voted in favour of the Resolutions or whether they voted at all.

If you do not vote on the Resolutions, or vote against a Resolution, and the Resolutions are approved by the requisite majorities of Home Consortium Shareholders, the Proposal will still be implemented if the other conditions are met, and you will be bound to participate in the Proposal if you are on the Register as a Home Consortium Shareholder on the Proposal Record Date.

2.11. Conditions of the Proposal

The Proposal is subject to a number of conditions precedent, including the approvals by Home Consortium Shareholders and the Court. For details on those conditions and their status at the date of this Shareholder Booklet, see section 6.2.

2.12. Foreign Shareholders

No action has been taken to register or qualify the new HCL Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

A Foreign Shareholder is any Home Consortium Shareholder on the Proposal Record Date whose address on the Register is a place outside of Australia and its external territories.

Restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries. Accordingly, not all Foreign Shareholders will be eligible to receive new HCL Shares under the Scheme. A Foreign Shareholder is eligible to receive new HCL Shares under the Scheme only to the extent Home Consortium determines that it is not prohibited or unduly onerous or impractical to issue new HCL Shares to it under the Scheme (with such Foreign Shareholders being Eligible Foreign Shareholders).

Home Consortium has determined that Foreign Shareholders in the following jurisdictions are Eligible Foreign Shareholders:

- People's Republic of China;
- Hong Kong;
- Netherlands;
- New Zealand;
- United Kingdom;
- United States; and
- any other person or jurisdiction in respect of which Home Consortium reasonably believes that it is not prohibited and not unduly onerous or impractical to issue new HCL Shares to a Home Consortium Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Home Consortium Shareholders who hold Home Consortium Stapled Shares on behalf of a beneficial owner resident outside Australia, Hong Kong, Netherlands, New Zealand, United Kingdom and the United States may not forward this Shareholder Booklet (or any accompanying document) to anyone outside these countries without the consent of Home Consortium.

All other Foreign Shareholders will be Ineligible Foreign Shareholders and will be dealt with under section 6.6 of this Shareholder Booklet.

SECTION 3

Description of Home Consortium

3.1. Overview

This section sets out the history of Home Consortium and its current operations.

This section also summarises the key operations of the restructured Home Consortium to be formed on implementation of the Proposal and the management arrangements that will apply in respect of Home Consortium.

It is important to note that the restructured Home Consortium following implementation of the Proposal will continue to manage and operate the Home Consortium business in the same way as it is currently conducted as at the date of this Shareholder Booklet. There will not be any change to Home Consortium's underlying business and operations, or to Home Consortium Shareholders' interests in them (apart from Ineligible Foreign Shareholders), as a result of the Proposal being implemented. The current policies of Home Consortium relating to the employment of its employees will continue.

3.2. Corporate structure and history

Home Consortium is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies.

On 11 October 2019, HCL and HCDL were admitted to the official list of the ASX. HCL Shares and HCDL Shares are stapled together to form stapled securities, which trades under the name "Home Consortium" (ASX: HMC).

Home Consortium is the manager of the convenience retail focussed HomeCo Daily Needs REIT (ASX: HDN) which listed in November 2020 and the healthcare focussed HealthCo Healthcare and Wellness REIT (ASX: HCW) which listed in September 2021.

A simplified structure diagram of Home Consortium's corporate structure before the implementation of the Proposal is set out in section 2.1.

3.3. Key operations

Home Consortium's principal activities during the year were the ownership, development and management of a property portfolio and the investment in and management of property funds.

Funds management

Home Consortium is the manager of the convenience retail focussed HomeCo Daily Needs REIT and the healthcare focussed HealthCo Healthcare and Wellness REIT. Home Consortium is well capitalised and resourced to internally fund its strategy to grow FUM to $10 billion.

HDN 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. HDN aims to provide unitholders with consistent and growing distributions and since listing in Nov-20 has grown assets under management (AUM) by 112% to $1.8 billion.

HCW listed on the ASX with a mandate to invest in Hospitals; Aged Care; Childcare; Government, Life Sciences & Research; and Primary Care & Wellness property assets, as well as other healthcare and wellness property adjacencies. HCW aims to provide unitholders with exposure to a diversified portfolio underpinned by attractive megatrends, targeting stable and growing distributions, long-term capital growth and positive overall environmental and social impact and currently owns $668 million of assets.

Direct property investments

Home Consortium's property portfolio consists of 7 assets that are geographically diversified across 3 Australian states. As at 30 June 2021, Home Consortium's portfolio[1] had a fair value of $163 million.

Key features of Home Consortium's portfolio include:

- strategically located centres in Victoria, Queensland and New South Wales;
- a stable and secure source of rental income through a high occupancy rate of 98.8%[2] on 3 operating assets and long WALE of 9.0 years[3]; and
- a low site coverage ratio of 23%.

A summary of the Home Consortium portfolio is set out below:

Property	State	Fair Value ($m)	Cap rate (%)	Site Coverage (%)	Occupancy (by area)	WALE (by income)
Gregory Hills Home Centre	NSW	32.0	6.25%	36%	100.0%	6.3
Knoxfield	VIC	31.2	7.00%	31%	97.6%	10.4
North Lakes	QLD	40.3	6.00%	29%	99.2%	6.8
Richlands (excess land)	QLD	3.5	nm	nm	nm	nm
Roxburgh Park	VIC	23.2	7.50%	20%	nm	7.3
Wagga Wagga	NSW	18.3	8.00%	40%	nm	7.0
Camden (3 stages)	NSW	14.6	nm	nm	nm	16.3
Total		**163.1**	**6.76%**	**23%**	**98.8%**	**9.0**

Proposed Acquisition of Aventus Property Group

On 18 October 2021, Home Consortium announced that HCL, HCDL and HDN had entered into a scheme implementation deed with Aventus Property Group under which HCL, HCDL and HDN will acquire all of the securities in Aventus Property Group by way of schemes of arrangement, subject to certain conditions (**Aventus Acquisition**). If all conditions are satisfied, the Aventus Acquisition is expected to be implemented in or around February 2022.

The Aventus Acquisition has no impact on the Proposal or Home Consortium Shareholders' consideration of the Proposal contemplated in this Shareholder Booklet as the Proposal is proposed to be implemented prior to and regardless of the Aventus Acquisition and the Proposal does not impact the underlying business of Home Consortium to which Home Consortium Shareholders will remain exposed regardless of whether the Proposal proceeds.

For further information, including further developments after the date of this Shareholder Booklet, in respect of the Aventus Acquisition refer to Home Consortium's ASX announcements.

3.4. Directors and senior management

Home Consortium Board

The Home Consortium Board is comprised of:

- Chris Saxon (Chair);
- David Di Pilla (Managing Director and Group CEO);
- Zac Fried (Non-Executive Director);
- Greg Hayes (Non-Executive Director);
- Brendon Gale (Non-Executive Director);
- Jane McAloon (Non-Executive Director); and
- Kelly O'Dwyer (Non-Executive Director).

1. Excludes Lismore, Coffs Harbour and Proxima which have been sold down to HDN and HCW since 30 June 2021.
2. By GLA for operating centres only. Based on signed leases and signed MoUs.
3. As at 30 June 2021 by gross income.

The Home Consortium Directors are experienced directors who have a broad range of skills and expertise. The composition of the Home Consortium Board will not change following implementation of the Proposal.

Information on each of the Home Consortium Directors including their qualifications and relevant experiences, are summarised on pages 6 to 10 of the Home Consortium 2021 Annual Financial Report released to ASX on 25 August 2021.

The interests of the Home Consortium Directors are set out in section 7.5 of this Shareholder Booklet.

Details of the remuneration of each of the Home Consortium Directors is summarised in the Remuneration Report which is set out in the Home Consortium 2021 Annual Financial Report released to ASX on 25 August 2021.

Home Consortium management team

The management team has extensive experience in the property and funds management industries, including experiences in the management, acquisition, leasing, development, financing and valuation of real estate assets.

The management team comprises:

- David Di Pilla (Managing Director and Group CEO);
- Sid Sharma (Group Chief Operating Officer);
- Will McMicking (Group Chief Financial Officer);
- Andrew Selim (Group General Counsel and Company Secretary); and
- Andrew Boustred (Development Director).

The management team will not change following implementation of the Proposal.

The details of employment terms for the above management personnel are available in the Remuneration Report which is set out in the Home Consortium 2021 Annual Financial Report released to ASX on 25 August 2021.

3.5. Risks associated with Home Consortium

Overview

Home Consortium's business activities are subject to risks that are both specific to its business operations and of a general nature. Many of these risks are outside the control of Home Consortium, the Home Consortium Directors and management and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, Home Consortium.

This section 3.5 describes what Home Consortium currently believes to be the material risks associated with an investment in Home Consortium.

It should be noted that Home Consortium Shareholders are already exposed to these risks through their current interests in the Home Consortium Stapled Shares. The underlying business and operations of Home Consortium will not change as a result of the Proposal, and the extent to which Home Consortium Shareholders are exposed to these risks will not change as a result of, or following, the implementation of the Proposal.

In addition to these general risks of an investment in Home Consortium, there are also a limited number of risks specific to the implementation of the Proposal which are also set out below.

Material risks facing Home Consortium

Home Consortium Shareholders should note that this section 3.5 identifies the Home Consortium Directors' current views on the material risks of an investment in Home Consortium and it does not purpose to be an exhaustive list of risks Home Consortium is exposed to.

The material risks relating to an investment in Home Consortium include the following:

a. General economic conditions

Home Consortium's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, commodity prices, ability to access funding, supply and demand conditions and government, fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a material adverse impact on Home Consortium's operating and financial performance. In addition, higher than expected inflation rates generally or specific to the property sector could be expected to increase operating costs and development costs.

The property sector more generally may be adversely affected by a number of factors including: (i) rental income; (ii) macroeconomic factors such as interest rate movements and inflation; (iii) tenancy laws; (iv) market sentiment; (v) property affordability; and (vi) real estate development trends.

In particular, rental income and subsequently the value of real estate assets may be affected by a number of factors including:

- rental income generated from the property and expenses incurred in the operations (including the recurring need to refurbish and make improvements to the properties);
- the deterioration of the local and international economy or in the property market in general;
- competition from other real estate assets;
- changes in interest rates and availability of corporate funding in the market;
- local property market conditions, such as oversupply, changes in market rental rates and increased vacancy rates;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges;
- external factors that may negatively impact Home Consortium, including major world events, such as war and terrorist attacks, an outbreak of a communicable disease or pandemic in Australia and other regions where Home Consortium might operate, and acts of God including, but not limited, to floods, fire and earthquakes (some of which may be uninsurable or are unable to be insured economically); and
- unforeseen capital expenditures in order to maintain Home Consortium's properties in a condition appropriate for the purposes intended, and that such capital expenditure is not fully reflected in the financial forecasts.

b. Equity market conditions

The market price of HCL Shares will be affected by the financial performance of Home Consortium and also varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

c. Compliance and regulatory

Home Consortium operates in a highly regulated environment and is subject to a range of industry specific and general legal and other regulatory controls. Regulatory breaches may affect Home Consortium's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. In addition, changes in government and local government regulations and policies (including government land development, retail leases, privacy, real estate licensing, and tenancy laws) and delays in the granting of approvals or the registration of subdivision plans may affect the amount and timing of Home Consortium's future profits. Changes in income tax, goods and services tax or stamp duty legislation or other state or federal tax legislation or policy, particularly in regard to property development activity and investment in income producing property may adversely affect Home Consortium's profit.

Any removal of the concessions in respect of capital gains tax or relating to negative gearing of income producing properties could have an adverse effect on Home Consortium's sales or the value of its investments. Home Consortium constantly monitors these changes to taxation law and the impact of the changes is assessed by Home Consortium's finance department as well as external experts where required.

Changes to the Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") could affect Home Consortium's reported earnings performance in any given period and its financial position from time to time.

d. Climate change

Home Consortium's failure to mitigate the impact of physical and transitional climate change impacts and associated legislative requirements could result in a portfolio that is not adequately resilient to these impacts and in turn result in reputational harm to Home Consortium. Home Consortium could face increased costs associated with energy and water efficiency and other costs associated with upgrading existing buildings to comply with new building codes or contractual obligations or litigation (if reporting requirements are not met).

In addition, failure to mitigate the impacts could result in lower rents and lower occupancy due to individual buildings being less competitive in their markets, causing lower relative valuations. Home Consortium would also be adversely impacted by a loss of market share if building designs do not address investor or community expectations or match competitor products on sustainability issues.

e. Litigation

Legal and other disputes (including industrial disputes and class actions) may arise from time to time in the ordinary course of operations. Any such dispute may impact earnings or affect the financial performance and security value of Home Consortium's assets and may have a material adverse effect on Home Consortium's operations and any potential losses to Home Consortium may be significant.

f. General risk management systems and controls

Home Consortium relies on internal risk management control systems to appropriately manage various risks to which its business is subject. While there is segregation in hierarchy within the risk management systems and processes, there is a risk that these systems will prove ineffective due to human error, fraud, a breach of data security or inadequate processes across its operations. Depending on the nature and scale of a failure to maintain or update and implement an appropriate risk management system, such failures could have a material adverse effect on Home Consortium's operations and as a consequence the losses to Home Consortium may be significant.

g. Cyber security and data governance

Home Consortium's operations depend on the reliability and availability of its IT infrastructure networks. Home Consortium's IT systems may be vulnerable to a variety of interruptions due to events that may be beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, phishing attacks, hackers and other security issues.

Any disruptions in an IT network which Home Consortium uses or unexpected system or computer network interruptions could disrupt Home Consortium's operations and consequently its overall profitability.

h. COVID-19

The global outbreak of the COVID-19 pandemic, and the resulting challenges, has adversely impacted, and could continue to adversely impact, Home Consortium's financial result and Home Consortium's security price.

When the COVID-19 pandemic took hold in late March 2020, Home Consortium's number one priority was to ensure the health, safety and wellbeing of the people in its buildings.

The potential effects of COVID-19 on Home Consortium's business have resulted in, among other things, the implementation by Home Consortium of measures to reduce costs and improve portfolio asset quality and diversification, while maintaining a strong balance sheet.

Any shutdown of Home Consortium's construction sites, renegotiation of claims in relation to Home Consortium's existing projects and contractual arrangements, interruptions to demand and supply chains globally, solvency issues experienced by certain counterparties to Home Consortium's contractual arrangements, short to medium term impact on development projects, longer-term impacts on the pipeline of Home Consortium's development projects, impacts on rental revenue in relation to Home Consortium's property investments, impacts on the valuation of assets, employee liabilities, delays in planned or potential divestment of assets or businesses by Home Consortium and changes to employee working arrangements, may all impact on Home Consortium's business, results of operations, financial condition and prospects.

Home Consortium may face certain difficulties in renewing lease agreements or executing new lease agreements at or above current market rates due to financial difficulties affecting current or prospective tenants.

The events relating to COVID-19 have also resulted in market volatility including in the prices of securities trading on the ASX and on other foreign securities exchanges. Adverse changes in global equity or credit market conditions as a result of the uncertainty and downturn in economic conditions arising from COVID-19 may also adversely affect Home Consortium.

As COVID-19 is ongoing, there is no assurance that Home Consortium will not, in the future, experience more severe disruptions in the event that more stringent quarantine measures are imposed or if COVID-19 becomes more severe or protracted. This could, in turn, cause deterioration in investor confidence, the business, results of operations, financial conditions, and prospects of Home Consortium. The actual extent of COVID-19 and its impact on the domestic, regional and global economy remains uncertain, and the extent of the impact on Home Consortium's business, results of operations, financial condition and prospects will depend on, among other things, the duration of COVID-19 and the severity of the actual impacts of COVID-19 to the global economy.

To the extent COVID-19 adversely affects Home Consortium's business, results of operations, financial condition and prospects, it may also have the effect of heightening the materiality of the other risks described in this section 3.5.

i. Forward-looking statements

Any forward-looking statements, opinions and estimates provided in this Shareholder Booklet are based on assumptions, some of which are set out in this Shareholder Booklet. Various factors, both known and unknown, may impact Home Consortium's performance and cause actual performance to vary significantly from what was expected. There can be no guarantee that Home Consortium will achieve its stated objectives or that any forward-looking statement will eventuate.

j. Illiquidity and returns from investments

Property assets by their nature are illiquid investments. Therefore, in the event it may be necessary for the assets to be disposed in order to raise liquidity, it may not be possible to dispose of the assets in a timely manner or at an ideal price. This in turn may impact Home Consortium's net tangible assets and/or the market price of the Home Consortium Stapled Shares.

Further, the value of capital growth and returns from property assets are subject to fluctuations dependent on property market conditions. Variations are also experienced across rental and occupancy levels as a result of changes in general economic conditions (including conditions relating to retail, office, logistics, healthcare and development assets). This risk is further exacerbated by a property owner or manager's ability to procure tenants and increase demand and interest for property from investors. Additional expenses associated with operating, refurbishing and maintaining properties may adversely influence the value of the assets in a property portfolio.

k. Property leasing and counterparty credit risk

There is the risk that tenants default on their rent or other obligations required in connection with their lease, in addition to the risk of third parties (such as tenants, developers, service providers and financial counterparties) failing to perform their obligations or defaulting on their payments. Should such risks materialise, income, book values, timings of projects and Home Consortium's financial condition may be adversely impacted.

There is also a risk that it may not be possible to negotiate lease renewals or maintain existing lease terms. If this occurs, income and book values may be adversely impacted.

l. Changing investor demand for property investments

Home Consortium's success is subject to the demand for property and listed property securities, which are inherently dependent on investor preferences for particular sectors and asset classes which may change over time.

m. Changes in property values

Independent valuations are carried out for each individual property on a periodic basis to determine their fair market value. Due to the unknown external impacts to the property industry as a result of COVID-19, some of the independent property valuations obtained by the Home Consortium currently include significant valuation uncertainty clauses.

Changes in the fair market value of Home Consortium's properties determined by independent valuations may have an adverse effect on Home Consortium's financial results in the financial year where there is a significant decrease in the valuation of Home Consortium's properties. Furthermore, property valuations may be affected by input assumptions in the valuation methodology including tenant information, property age, the location, expected future rental profiles, prevailing market conditions, capitalisation rates and discount rates.

n. Insurance

Home Consortium purchases insurance that provides a degree of protection for its assets and liabilities and personnel. Such policies are in place to cover material damage of assets, contract works, business interruption, general and professional liability and staff compensation. However, not all risks are insurable; such uninsurable risks include nuclear, chemical or biological incidents and in some cases insurance may not be available due to economic conditions. Home Consortium may be subject to risks associated with the financial strength of its insurer to meet indemnity obligations, when required, which may have an adverse impact on earnings. If an uninsured loss occurs, the purchaser could lose both its invested capital in, and anticipated profits from, the affected property. Further, insurance may be materially detrimentally affected by economic or environmental conditions so that insurance becomes more expensive, or in some cases, unavailable.

o. Environmental factors

Home Consortium's properties are exposed to a range of environmental factors which may result in damage to the environment, project delays or additional expenditure. In such situations, they may be required to undertake remedial works and potentially be exposed to third party liability claims and/or environmental liabilities such as penalties and fines. Home Consortium is also subject to extensive regulation under environmental laws, including in respect of contamination and pollution. These laws may vary by jurisdiction and are subject to change and require continuous monitoring from a risk control perspective.

p. Time delays, capital expenditure and fixed nature of costs

Development approvals combined with slow decision making by counterparties, complex construction, adverse weather conditions, changes to design briefs and legal documentation, may give rise to unexpected delays in completion of projects, loss of revenue and cost overruns. Such delays may result in liquidated damages and termination of lease agreements and pre-sale agreements which may have a negative effect on a property developer's financial returns.

Unforeseen capital expenditure requirements to maintain the quality of the buildings and tenants, along with the risk of the value of assets becoming adversely affected should the income from the assets decline and the fixed costs remain the same can occur from time to time and will impact a property's ability to generate returns.

Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project motion. Major infrastructure requirements or unanticipated environmental issues may affect financial returns.

q. Building and workplace health and safety

Failure to ensure the safety and wellbeing of employees, customers, contractors and the public at Home Consortium properties could lead to death or injury to individuals at Home Consortium properties, reputational damage and loss of broader community confidence. It could also lead to costs or sanctions associated with a regulatory response, costs associated with criminal or civil proceedings and costs associated with remediation and/or restoration.

r. Acquisition risks and development activities

Adopting and executing a growth strategy which focuses on acquisitions and business opportunities is associated with certain risks. Home Consortium, at any time, may be undertaking due diligence on a number of potential acquisition opportunities both on its own account and with joint venture parties. In the event Home Consortium proceeds with a business opportunity and/or acquisition, there is a possibility that Home Consortium may not uncover all issues during the due diligence stage that may, at a later date, have a negative impact on Home Consortium's present or future financial condition.

Depending on the type of business opportunity and/or acquisition, the following specific risks may include: (i) low performance of the acquisition and/or business opportunity; (ii) capital expenditure required for any acquisition and/or business opportunity may exceed initial expectations; (iii) a breakdown with a joint venture partner or a downturn in the relevant local market conditions; and (iv) it may take a period of time before Home Consortium is able to realise the full benefits of the acquisition and/or business opportunity.

In addition, part of Home Consortium's business is to identify, analyse, invest in and/or manage property development projects. Home Consortium has several development projects currently underway. The development projects have inherent risks, including market risk, valuation risk, latent liabilities or unexpected contingencies emerge such as the existence of hazardous substances, completion delays and cost overruns. Home Consortium's earnings, cash flows and valuations in respect of the development projects may be negatively impacted by a number of factors including construction costs, contractor performance and solvency, and scheduled completed dates.

s. Third party capital partners

Home Consortium manages properties on behalf of several third party capital partners. A change in strategy and/or capacity of existing third party capital partners, the inability to attract new third party capital partners, the loss of confidence in Home Consortium's governance structure and service delivery could result in the loss of the management of properties and a subsequent reduction in funds management income.

t. Current and future debt levels

Home Consortium incurs a significant amount of debt from time to time. The material consequences of having a significant amount of debt are the following:

- Home Consortium will need to use a substantial portion of cash from its operating activities to pay interest on its debt;
- to the extent that facilities mature and are not replaced, extended or refinanced, Home Consortium will need to fund repayment of debt out of its operating cash flow, asset dispositions or equity raisings;
- Home Consortium's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates may be limited because available cash flow after paying principal and interest on debt may not be sufficient to make the capital and other expenditures needed to address these changes;
- Home Consortium's ability to obtain financing in the future for its development program, working capital, capital expenditures, acquisitions or other purposes may be limited because of the restrictions contained in debt agreements; and
- Home Consortium's ability to make acquisitions and take advantage of significant business opportunities may be negatively affected if it needs to obtain the consent of its lenders to take any such action or if, because of existing debt levels, it is not able to obtain additional financing for these opportunities.

u. Funds management agreements

Home Consortium derives a substantial amount of its revenue from its funds management activities. If, for any reason, the material contracts associated with Home Consortium's funds management business, including the investment management agreements under which Home Consortium is appointed to act as manager for various funds and assets, are terminated, expire or are adversely amended, Home Consortium's funds management activities and associated revenue will be adversely affected and potential losses to Home Consortium may be significant.

Material risks specific to the Proposal

a. Tax risks

There are tax specific risks associated with the Proposal. If CGT roll-over is not available in respect of the Scheme, Home Consortium Shareholders would be required to include any capital gain realised on the disposal of their HCDL Shares in their Australian assessable income. Home Consortium has applied to the ATO for a Class Ruling to confirm that scrip for scrip roll-over is available for Australian resident Home Consortium Shareholders who would otherwise realise a capital gain in respect of the Scheme. Although it is not expected to be the case, it is possible that the Class Ruling will not be obtained, the Class Ruling expresses a view contrary to that set out in section 5, and/or the ATO does not consider CGT roll-over is available in respect of the Scheme. For further information on the expected tax implications of the Proposal, which includes the Scheme, see section 5 of this Shareholder Booklet.

b. Financing risks

Home Consortium has received consent to the Proposal under its existing debt facility with ANZ subject to satisfying certain conditions (including amending the existing debt facility to reflect the Proposal). Failure to satisfy those conditions may impact on Home Consortium's ability to implement the Proposal.

SECTION 4

Financial impact of the Proposal

4.1. Overview of financial information

This financial information set out in this section 4 has been prepared by the Directors of Home Consortium and comprises:

- the consolidated statement of financial position ("**Historical Financial Information**") as at 30 June 2021;
- the pro forma consolidated statement of financial position ("**Pro Forma Historical Financial Information**") as at 30 June 2021 (see section 4.4 of this Shareholder Booklet);
- the Home Consortium Directors' adjustments used in the preparation of the Pro Forma Historical Financial Information (see section 4.5 of this Shareholder Booklet); and
- significant accounting policies of Home Consortium impacted by the Proposal (see section 4.6 of this Shareholder Booklet).

The annual and interim financial reports available to Home Consortium Shareholders in accordance with the Corporations Act and ASX Listing Rules are available on Home Consortium's website at www.home-co.com.au.

The information in this section 4 should also be read in conjunction with the risks set out in section 3.5 and other information contained in this Shareholder Booklet. The Home Consortium Directors do not consider that the Proposal will result in any change to Home Consortium's underlying business and operations, or Home Consortium Shareholders' interests in them, before and after the Proposal is implemented.

Unless otherwise noted, all amounts disclosed in this section 4 are presented in Australian dollars and are rounded to the nearest $0.1 million. Rounding in the financial information may result in some discrepancies between the sum of the components and the totals outlined within the tables and percentage calculations.

4.2. Basis of preparation

The Home Consortium Directors are responsible for the preparation of the financial information. The financial information set out in this section 4 is intended to present Home Consortium Shareholders with information to assist them in understanding the likely pro forma impact on the financial position of Home Consortium arising from the implementation of the Proposal.

The financial information has been prepared in accordance with the recognition and measurement principles contained in the AASB and the Corporations Act.

AASB sets out an accounting framework that would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASB ensures that the financial information and notes also comply with the recognition and measurement requirements of the International Financial Reporting Standards.

The financial information presented in this Shareholder Booklet is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report or interim report prepared in accordance with AASB. The Pro Forma Historical Financial Information has been prepared on the basis of the assumptions outlined in section 4.5.

4.3. Accounting considerations of the Proposal

The Proposal involves simplifying the Home Consortium company structure by destapling the HCL Shares from the HCDL Shares and transferring the HCDL Shares to HCL and, as consideration, Eligible Shareholders will be issued HCL Shares at the Exchange Ratio, being approximately 1.65 for every HCDL Share they hold.

The Proposal steps are as follows:

a. the Destapling of HCL Shares and HCDL Shares;
b. the issuing of HCL Shares to Eligible Shareholders at the Exchange Ratio, being approximately 1.65 HCL Shares for each Home Consortium Stapled Share they hold at the Proposal Record Date;
c. HCL acquiring, in consideration for the issue of HCL Shares, all of the HCDL Shares;
d. the consolidation of HCL Shares on the basis that approximately every 2.65 HCL Shares will be converted into 1 HCL Share so that Eligible Shareholders who participate in both the Scheme and the Share Consolidation will hold one HCL Share for each Home Consortium Stapled Share they currently hold (subject to rounding); and
e. the delisting of HCDL.

HCL currently prepares the consolidated financial statements for the stapled group. HCL has been deemed to be the parent of the stapled group in accordance with AASB 3 'Business Combinations'. In the HCL consolidated financial statements, the contributed equity and retained earnings of HCDL is recognised as a non-controlled interest ("NCI") as required by AAS.

Pursuant to the Proposal, HCL will own all the shares of HCDL and will continue to control HCDL in the consolidated financial statements. The Proposal will constitute a transaction amongst owners, where previously they held their interest through HCL and HCDL (the non-controlling interest), and after the transaction they will hold all of their interest directly through HCL. The impact of this transaction will be recognised in equity.

The consolidated financial statements will be presented as a continuation of the existing group with HCL as the accounting parent entity. There is not expected to be any significant impact on the consolidated financial statements other than the transfer of the non-controlling interest of HCDL to reserves, the parent entity disclosures and the measure of earnings per share attributable to the parent. There will be no change to the assets and liabilities of the group other than the impact of transaction costs. HCDL will no longer be a separate disclosing entity upon delisting from the ASX.

4.4. Historical and pro forma historical financial information

The following sets out the Historical Financial Information, the pro forma adjustments that have been made to it (further described in section 4.5 of this Shareholder Booklet) and the Pro Forma Historical Financial Information as at 30 June 2021.

The Historical Financial Information has been extracted from Home Consortium's consolidated financial statements for the year ended 30 June 2021 ("**Financial Report**"), which were audited by PricewaterhouseCoopers in accordance with the AAS. PricewaterhouseCoopers issued an unmodified audit opinion on the Financial Report.

The Pro Forma Historical Financial Information is intended to be illustrative only and will not reflect the actual position and balances of Home Consortium as at the date of this Shareholder Booklet or post implementation of the Proposal. The Financial Information has been prepared in accordance with the principles and significant accounting policies set out in section 4.6 of this Shareholder Booklet.

	30 Jun 21 $ millions	Subsequent events $ millions	Implementation of the Proposal $ millions	Pro-forma Historical Financial Information $ millions
Current assets				
Cash and cash equivalents	11.7	125.4[1]	(1.6)[9]	135.5
Trade and other receivables	6.1	–	0.1[9]	6.2
Other assets	13.6	–	–	13.6
Assets classified as held for sale	478.6	(478.6)[2]	–	(0.0)
Total current assets	**510.0**	**(353.2)**	**(1.5)**	**155.3**
Non-current assets				
Investment properties – freehold	188.1	(39.6)[3]	–	148.5
Investments accounted for using the equity method	263.9	154.4[4]	–	587.3
Deferred tax assets	19.6	–	–	19.6
Other	0.8	–	–	0.8
Total non-current assets	**472.4**	**114.8**	**–**	**587.3**
Total assets	**982.4**	**(238.4)**	**(1.5)**	**742.5**
Current liabilities				
Trade and other payables	(13.4)	(2.2)[5]	–	(15.6)
Employee benefit obligations	(1.1)	–	–	(1.1)
Income tax	(1.7)	–	–	(1.7)
Lease liabilities	(0.2)	–	–	(0.2)
Total current liabilities	**(16.4)**	**(2.2)**	**–**	**(18.6)**
Non-current liabilities				
Borrowings	(253.1)	254.8[6]	–	1.7
Derivative financial instruments	(1.8)	–	–	(1.8)
Lease liabilities	(0.1)	–	–	(0.1)
Total non-current liabilities	**(255.0)**	**254.8**	**–**	**(0.2)**
Total liabilities	**(271.4)**	**252.6**	**–**	**(18.8)**
Net assets	**711.0**	**14.2**	**(1.5)**	**723.7**
Equity				
Contributed equity	3,710.4	–	1,265.2[10]	4,975.6
Reserves	4.0	(1.9)[7]	(1,262.6)[11]	(1,260.5)
Accumulated losses	(3,007.5)	16.1[8]	–	(2,991.4)
Equity attributed to the owners of Home Consortium Limited	**706.9**	**14.2**	**2.6**	**723.7**
Non-controlling interest	4.1	–	(4.1)[11]	–
Total equity	**711.0**	**14.2**	**(1.5)**	**723.7**

Notes

1. Net cash impact arising from transactions referred to in section 4.5(a) for $266.4 million, section 4.5(c) for $107 million, section 4.5(d) for ($17.4 million), section 4.5(e) for ($254.8) million, section 4.5(f) for $39.6 million and section 4.5(h) for 15.4 million.
2. Assets classified as held for sale were derecognised via the sale of seven properties to HDN for $266.4 million less estimated HDN bonus unit costs of $8.9 million (refer to section 4.5(a)) and net derecognition of $221.1 million of properties upon the listing of HCW (refer to section 4.5(c)).
3. Sale of 2 large format retail assets on 1 October 2021 at Coffs Harbour and Lismore to HDN at their 30 June 2021 carrying amounts as referred to in section 4.5(f) of this Shareholder Booklet.
4. Aggregate of: (i) $7.9 million derecognition of the investment in HDN upon sell back of units as referred to in section 4.5(b); (ii) recognition of $146.9 fair value of Investment in HCW upon listing as referred to in section 4.5(c) of this Shareholder Booklet; and (iii) investment in the Camden Trusts to complete the transaction referred to in section 4.5(h) of this Shareholder Booklet.
5. Rental guarantee payable to HCW as referred to in section 4.5(c) of this Shareholder Booklet.
6. Repayment of $254.8 million senior syndicated debt facility amount as at 30 June 2021 as referred to in section 4.5(e) of this Shareholder Booklet.
7. Derecognition of the $1.9 million Profit Reserve upon payment of Dividend on 1 October 2021 as referred to in section 4.5(d) of this Shareholder Booklet.

8. Aggregate of: (i) $1 million gain HDN on bonus unit sell back as referred to in section 4.5(b); (ii) $13.7 million fair value gains on investment property derecognised upon separate listing of HCW as referred to in section 4.5(c); (iii) $16.9 million fair value gain on Investment in HCW as referred to in section 4.5(c); and (iv) $15.5 million dividend paid as referred to in section 4.5(d) of this Shareholder Booklet.
9. Transaction costs of approximately $1.5 million (exclusive of non-recoverable GST, if applicable) incurred in relation to the Proposal, funded utilising existing cash.
10. $1,265.2 million shares issued as referred to in section 4.5(i) of this Shareholder Booklet.
11. Aggregate of: (i) $1.5 million transaction costs (exclusive of non-recoverable GST, if applicable) allocated to the Transaction with NCI Reserve; and (ii) the difference of $1,261.1 million between the fair value of HCL shares issued and the carrying value of the non-controlling interest of HCDL reflected in the consolidated financial statements of the group which will be recognised as a Transaction with NCI Reserve.

4.5. Home Consortium Directors' adjustments in the preparation of the pro forma historical financial information

The Pro Forma Historical Financial Information has been prepared by the Home Consortium Directors as if the following transactions and events, which are to take place on or before the date of this Shareholder Booklet, had occurred as at 30 June 2021.

Subsequent events:

a. In April 2021, Home Consortium entered into conditional agreements to sell a 100% interest in a portfolio of seven large format retail assets to HDN for a total purchase price of $266.4 million less estimated costs of the HDN bonus unit issue of $8.9 million further described below. HDN unitholder approval was obtained at an extraordinary general meeting on 16 June 2021 and settlement occurred on 1 July 2021.

b. In April 2021, HDN announced a $265.0 million underwritten accelerated non-renounceable entitlement offer. As part of the entitlement offer, eligible HDN unitholders who were issued with new units would also be entitled to receive, without any further action, up to 1 bonus unit for every 20 new units issued, subject to certain conditions (principally related to a unitholder holding a number of units exceeding their holding as at 16 August 2021). HCL had agreed to sell back, for a nominal consideration, the number of units it held in HDN, equal to the number of bonus units that HDN would issue.

   As at 30 June 2021 the estimated cost of the units that HCL would sell back was $8.9 million but the actual cost of the units sold on 10 September 2021 was $7.9 million resulting in a gain of $1 million.

c. Home Consortium entered into a number of contracted property acquisitions post 30 June 2021 in relation to seed assets for the establishment of HCW. HCW was a subsidiary of Home Consortium as at 30 June 2021. In September 2021, HCW issued new equity units for $650 million and separately listed on the ASX with Home Consortium subscribing for $ 130 million as an investment in associate. HCW repaid the net inter-company loans from Home Consortium (reflecting costs spent in relation to the properties in the portfolio which were owned and seeded by Home Consortium) of $107 million. Home Consortium derecognised assets classified as held for sale of $221.1 million, recognised a $2.2 million rental guarantee payable, and recognised investment property fair value gains of $13.7 million as part of this transaction.

   The fair value of the investment in HCW as at the date when control was lost, being $146.9 million was calculated using the volume-weighted average price ('VWAP') of HCW shares as traded on the ASX over the first five trading days after listing. This resulted in a gain on of $16.9 million upon the recognition of the Investment in Associate.

d. Payment of a dividend totalling $17.4 million on 1 October 2021 from existing cash (of which $1.9 million was paid from the existing Profit Reserve).

e. Repayment of the $254.8 million senior syndicated debt facility amount as at 30 June 2021. The settlement amounts were funded from cash proceeds from the sale of properties to HDN and repayment of inter-company loans by HCW upon listing.

f. Sale of 2 large format retail assets at Coffs Harbour and Lismore to HDN at their 30 June 2021 carrying amounts of $22.4 million and $17.2 million respectively. Settlement occurred on 1 October 2021 in cash.

g. Together with HCW, Home Consortium retained a stake in three co-invested assets: 25% equity interest in The George Trust, 25% equity interest in General Medical Precinct Trust, and 30% equity interest in Life Sciences Medical Precinct Trust (collectively "Camden Trusts"). The Camden Trusts settled on the acquisition of a 5 hectare site across three parcels of land in Camden, NSW. Home Consortium provided its share of funds of $15.4m to the Camden Trusts as part of a capital call to complete the transaction, funded by cash. On 22 October 2021 Home Consortium entered into a contract to sell the property located at 143 Hammond Avenue, East Wagga Wagga, NSW 2650 (Wagga Wagga), subject to certain conditions. The acquisition is expected to settle in mid-November 2021. Also, on 14 October 2021 Home Consortium entered into a call option agreement with HCW in relation to Home Consortium's 25% equity interest in The George Trust. Under that arrangement HCW may (but is not required to) purchase that interest within 6 months after practical completion of The George Trust development.

   The Pro Forma Balance Sheet disclosed in section 4.4 of this Shareholder Booklet has not been adjusted for:

   i. the sale of Wagga Wagga on the basis that the sale is conditional and is yet to complete; or
   ii. the sale of the 25% equity interest in The George Trust on the basis that the call option is yet to be exercised by HCW (if it elects to do so at all).

As noted in section 3.3 of this Shareholder Booklet, on 18 October 2021, Home Consortium announced that HCL, HCDL and HDN had entered into a scheme implementation deed with Aventus Property Group under which HCL, HCDL and HDN will acquire all of the securities in Aventus Property Group by way of schemes of arrangement, subject to certain conditions (**Aventus Acquisition**). The Pro Forma Balance Sheet disclosed in section 4.4 of this Shareholder Booklet has not been adjusted for the Aventus Acquisition on the basis that it is not relevant for Home Consortium Shareholders to consider in forming their view on the Proposal for the reasons set out in section 3.3.

Implementation of the Proposal:

h. Transaction costs of approximately $1.5 million (exclusive of non-recoverable GST, if applicable) incurred in relation to the Proposal, funded utilising existing cash (refer to section 2.3 of this Shareholder Booklet for details).

i. Under the existing stapled structure, the equity of the HCL and HCDL is presented as the equity of the combined Home Consortium group. HCDL is shown as a non-controlling interest. HCL will acquire its investments in HCDL through the issue of its own shares which will initially be measured at a fair value of $1,265.2 million. The difference of $1,261.1 million between the fair value of shares issued and the non-controlling interest of HCDL reflected in the consolidated financial statements of the group will be recognised as a Transaction with NCI Reserve.

4.6. Significant accounting policies

A summary of significant accounting policies impacted by the Proposal and that have been adopted in the preparation of the Financial Information set out in section 4.4, are provided as follows. These accounting policies should be read in conjunction with annual consolidated financial statements in the Home Consortium Financial Report and any public pronouncements made by Home Consortium to the date of this Shareholder Booklet in accordance with the continuous disclosure requirements of the Corporations Act, which are available on Home Consortium's website at www.home-co.com.au.

Use of estimates and judgements

The preparation of the Financial Information requires the Home Consortium Directors to make judgements, estimates and assumptions that affect the reported amounts. The Home Consortium Directors continually evaluate their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Judgements, estimates and assumptions are based on historical experience and on other various factors, including expectations of future events. The resulting accounting judgements and estimates will seldom equal the related actual results. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Consolidation

The consolidated financial statements will incorporate the assets and liabilities of all subsidiaries of HCL and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Investment in Associates

Associates are entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income.

Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

Transactions with NCI Reserve

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of HCL.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

HCL (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime ('HCL Tax consolidation group'). HCDL and its wholly-owned Australian subsidiaries will join the HCL Tax consolidation group from the date of HCL's acquisition of HCDL. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

For further information on the Australian tax consequences associated with the Proposal, see section 5 of this Shareholder Booklet.

Goods and Service Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

The issue or sale of shares in Home Consortium will not be subject to GST.

SECTION 5

Tax implications of the Proposal

5.1. Overview

The information set out in this section 5 is a general overview of the income tax, GST and stamp duty consequences arising for Home Consortium Shareholders under the Proposal, which includes the Scheme, assuming it is implemented. It does not constitute tax advice and should not be relied upon as such.

The information set out in this section 5 is based upon the Australian tax law and administrative practice in effect at the date of this Shareholder Booklet. It is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a Home Consortium Shareholder. Home Consortium Shareholders are advised to seek their own independent professional tax advice in relation to their own particular circumstances.

Section 5 is only relevant to Home Consortium Shareholders who are Australian tax residents and who hold their Home Consortium Stapled Shares on capital account. The following information does not address the Australian tax consequences for Home Consortium Shareholders who:

- hold their Home Consortium Stapled Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock);
- acquired their Home Consortium Stapled Shares as part of an employee share, option or rights plan;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) ('ITAA 1997') in relation to gains and losses on their Home Consortium Stapled Shares; or
- are non-residents of Australia for tax purposes.

Home Consortium Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Proposal under the laws of their country of residence, as well as under Australian law. These comments relate to Australian tax law only.

This tax summary is based on Australian tax law and relevant regulations, rulings or judicial or administrative interpretations of such tax laws as at the date of this Shareholder Booklet.

5.2. ATO Class Ruling

Home Consortium has applied to the ATO requesting a class ruling to confirm the key income tax implications of the Scheme for Home Consortium Shareholders ('Class Ruling').

The Class Ruling has not been finalised as at the date of the Shareholder Booklet. Although it is not expected to be the case, when the binding Class Ruling is issued by the ATO it may express a view contrary to that set out below.

When the final Class Ruling is published by the ATO, it will be available on the ATO website at www.ato.gov.au. Home Consortium Shareholders should review the final Class Ruling when it is issued by the ATO.

5.3. Destapling of Home Consortium Stapled Shares

If the Proposal is implemented, HCL Shares will be destapled from HCDL Shares such that they are no longer required to be dealt with together.

For capital gains tax ('CGT') purposes, each HCL Share and HCDL Share is a separate CGT asset both before and after the Destapling. As such, the Destapling should not give rise to any CGT consequences for Home Consortium Shareholders.

5.4. Exchange of HCDL Shares for HCL Shares under the Scheme

a. Capital gains tax

Under the Scheme, Home Consortium Shareholders will dispose of their HCDL Shares to HCL in exchange for approximately 1.65 HCL Shares for each HCDL Share held on the Record Date.

The disposal of HCDL Shares to HCL under the Scheme will constitute a CGT event A1 for Australian CGT purposes. Subject to the comments in section 5.4(c) below, a Home Consortium Shareholder who would otherwise make a capital gain on the disposal of their HCDL Shares under the Scheme should be eligible to choose scrip for scrip roll-over relief.

The time of the CGT event will be when the Home Consortium Shareholders transfer their HCDL Shares to HCL under the Scheme (i.e. the Proposal Implementation Date).

b. Calculation of capital gain or capital loss (apart from scrip for scrip roll-over relief)

Home Consortium Shareholders will make:

- a capital gain to the extent that their capital proceeds from the disposal of their HCDL Shares are more than the cost base of those HCDL Shares; or
- a capital loss to the extent that the capital proceeds are less than the reduced cost base of those HCDL Shares.

Subject to choosing scrip for scrip roll-over relief (discussed below), a Home Consortium Shareholder who makes a capital gain on disposal of their HCDL Shares will be required to include the net capital gain (if any) for the income year in their assessable income.

Capital gains and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain or net capital loss. Any net capital gain is included in assessable income and is subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains. Specific loss rules apply to Home Consortium Shareholders that are companies. These rules limit the ability to offset capital losses in a current or later income year.

i. Cost base of HCDL Shares

The cost base of a HCDL Share of a Home Consortium Shareholder will be calculated by allocating a proportion of the total amount paid to acquire the Home Consortium Stapled Share (comprising a HCL Share and a HCDL Share), plus certain incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty). That is, the total cost base in respect of the acquisition of the Home Consortium Stapled Share should be apportioned between the HCL Share and HCDL Share on a reasonable basis. The reduced cost base of the HCDL Shares of a Home Consortium Shareholder should be similarly determined.

ii. Capital proceeds

The capital proceeds for the disposal of the HCDL Shares of a Home Consortium Shareholder will be approximately 1.65 HCL Shares for each HCDL Share held on the Proposal Record Date. The amount of the capital proceeds should be the market value of the HCL Shares received by a Home Consortium Shareholder in accordance with the Scheme.

Home Consortium will publish on its website information to assist Home Consortium Shareholders in relation to the relative market values of HCL Shares and HCDL Shares for the purposes of ascertaining the CGT consequences of the Proposal.

iii. CGT discount

Individuals, complying superannuation entities or trustees that have held their HCDL Shares for at least 12 months may be entitled to benefit from the CGT discount to reduce the amount of the capital gain (after application of capital losses) from the disposal of their HCDL Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- 33.33% for complying superannuation entities.

The CGT discount will not be available to a Home Consortium Shareholder that is a company.

c. Choosing scrip for scrip roll-over relief

Home Consortium Shareholders who make a capital gain on disposal of their HCDL Shares under the Scheme may choose to apply scrip for scrip roll-over relief.

If scrip for scrip roll-over relief is available and chosen by a Home Consortium Shareholder, the capital gain that would otherwise arise will be disregarded.

HCL will not make a choice under section 124-795(4) of the ITAA 1997 to deny scrip for scrip roll-over relief.

Home Consortium Shareholders must make a choice to apply scrip for scrip roll-over relief before lodging their income tax return for the income year in which the Proposal Implementation Date occurs. A Home Consortium Shareholder will provide sufficient evidence of having chosen scrip for scrip roll-over relief by the way they prepare their income tax return (i.e. by excluding the disregarded capital gain from assessable income). There is no need to lodge a separate notice with the ATO.

Roll-over is not available to a Home Consortium Shareholder if a capital loss arises on the disposal of their HCDL Shares under the Scheme.

Where a Home Consortium Shareholder has chosen scrip for scrip roll-over relief, the first element of the cost base of the HCL Shares acquired under the Scheme should be equal to the cost base of their original HCDL Shares exchanged for the relevant HCL Shares. However, the cost base of the HCL Shares will also be impacted by the consolidation of HCL Shares immediately after the implementation of the Scheme – refer section 5.5 below.

Where scrip for scrip roll-over relief has been chosen by a Home Consortium Shareholder, the HCL Shares acquired under the Scheme will be taken to be acquired at the time their HCDL Shares were originally acquired, for CGT purposes including the application of the CGT discount.

d. Where scrip for scrip roll-over relief is not chosen or available

Where scrip for scrip roll-over relief is not chosen or is not available in relation to a Home Consortium Shareholder's disposal of HCDL Shares under the Scheme:

- the capital gain or capital loss from the disposal of the Home Consortium Shareholder's HCDL Shares will be taken into account in calculating the Home Consortium Shareholder's net capital gain for the income year in which the Proposal Implementation Date occurs; and
- the first element of the cost base of the HCL Shares received under the Scheme should be an amount equal to the market value of the HCDL Share given in respect of acquiring the HCL Share, determined on the Proposal Implementation Date. The cost base of the HCL Shares will also be impacted by the consolidation of HCL Shares which is proposed to occur soon after the implementation of the Scheme – refer section 5.5 below.

The acquisition date of the HCL Shares acquired under the Scheme will be the Proposal Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in respect of the HCL Share.

5.5. Consolidation of HCL Shares

As part of the Proposal, HCL will seek approval of Home Consortium Shareholders (in their capacity as HCL Shareholders) in accordance with section 254H of the Corporations Act to convert all of the HCL Shares into a smaller number of shares on an approximately 2.65 to 1 basis. If the Share Consolidation is approved and implemented, the result will be that Home Consortium Shareholders will (subject to rounding) hold one HCL Share for each Home Consortium Stapled Share that they held immediately before implementation of the Proposal.

The Share Consolidation should not be a CGT event for Home Consortium Shareholders. However, the cost base of the consolidated HCL Shares will be determined as an amount equal to the sum of the cost bases of the pre-consolidation HCL Shares to which they relate. The reduced cost base of the consolidated HCL Shares should be similarly determined. The consolidated HCL Shares will have the same date of acquisition as the pre-consolidation HCL Shares to which they relate.

Where Home Consortium Shareholders have two or more parcels of pre-consolidation HCL Shares with different cost bases or acquisition dates, the cost base and date of acquisition of the consolidated HCL Shares should be determined separately for each parcel.

For further ATO guidance regarding the CGT consequences of share consolidations, please refer to ATO Taxation Determination TD 2000/10.

5.6. Income tax treatment of future distributions

In broad terms, the income tax consequences for Home Consortium Shareholders of receiving dividends on their new HCL Shares will be the same as receiving dividends on their Home Consortium Stapled Shares.

A Home Consortium Shareholder who is an Australian tax resident and receives dividends attached to their HCL Shares must include the amount of the dividend received in their assessable income.

If the requirements outlined below are met, the Home Consortium Shareholders who receive franked dividends paid by HCL will be:

- required to include the amount of the attached franking credits in their assessable income; and
- entitled to a tax offset equal to the amount of the franking credits in their assessable income.

The relevant requirements are that:

- the Home Consortium Shareholder must be a 'qualified person' in relation to the dividend; and
- certain franking integrity measures do not apply.

In order to be a 'qualified person' in relation to a dividend issued by HCL, a Home Consortium Shareholder must hold their HCL Shares 'at-risk' for a continuous period of not less than 45 days (not including the day of the share's acquisition or disposal) during a prescribed period ("holding period rule"). A Home Consortium Shareholder will not be taken to have held their

HCL Shares ‘at-risk’ where the Home Consortium Shareholder or an associate holds a position (for example, an option or other hedging arrangement) which materially diminishes the risks of loss or opportunity for gain in respect of those HCL Shares.

A Home Consortium Shareholder is taken to be a ‘qualified person’, regardless of whether they satisfy the holding period rule, if they are an individual whose tax offset entitlement for all franked distributions received during the income year does not exceed $5,000 for the income year in which the relevant dividend is received.

Where a Home Consortium Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend, the holding period rule is altered. A related payment occurs where an investor, or their associate, passes on the benefit of the dividend to another person. Where a related payment is made by a Home Consortium Shareholder, in order to be a ‘qualified person’, they must hold their HCL Shares ‘at-risk’ for a period commencing on the 45th day before, and ending on the 45th day after, the day the HCL Shares become ex-dividend.

For the purposes of these qualified person rules, the acquisition date of the HCL Shares received under the Scheme will be the Proposal Implementation Date (regardless of whether CGT roll-over is chosen).

Broadly, the franking integrity measures are designed to, among other things, discourage trading in and streaming of franking credits. Home Consortium Shareholders should consider the impact of these rules having regard to their own personal circumstances.

If you are an individual or complying superannuation fund and your tax liability for an income year is less than the amount of the franking credits attached to dividends received in that income year, you may be entitled to a refund for the excess franking credits. This does not extend to companies.

Where Home Consortium Shareholders receive dividends which are unfranked, the Home Consortium Shareholder will be taxed at their marginal tax rate on the dividend received with no tax offset.

5.7. Income tax treatment of future disposal of HCL shares

Following the implementation of the Proposal, Home Consortium Shareholders who dispose of their HCL Shares will give rise to a CGT event A1 and make:

- a capital gain to the extent that the capital proceeds from the disposal are more than the cost base of those HCL Shares; or
- a capital loss to the extent that the capital proceeds from the disposal are less than the reduced cost base of those HCL Shares.

Individuals, complying superannuation entities or trustees that have held their HCL Shares for at least 12 months may be entitled to benefit from the CGT discount to reduce the amount of the capital gain (after application of capital losses) from the disposal of their HCL Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- 33.33% for complying superannuation entities.

The CGT discount will not be available to a Home Consortium Shareholder that is a company.

5.8. Goods and services tax

Home Consortium Shareholders should not be liable to GST in respect of the Proposal.

Home Consortium Shareholders may be charged GST on costs (such as adviser fees relating to their participation in the Proposal) that relate to the Proposal. Home Consortium Shareholders may be entitled to input tax credits for such costs, but should seek independent professional tax advice in relation to their individual circumstances.

5.9. Stamp duty

Home Consortium Shareholders should not be directly liable for stamp duty in respect of the Proposal. Specifically, in relation to the following steps required to implement the Proposal:

- the destapling of HCL Shares from HCDL shares should not give rise to stamp duty;
- the issuance of new HCL Shares to Home Consortium Shareholders on a pro rata basis (and subsequent consolidation of HCL Shares) should not give rise to stamp duty. Further, duty should not arise on these steps provided that all of the HCL Shares (including the new HCL Shares) remain quoted on the ASX at all times, including on the Implementation Date, and no shareholder (either alone or with associated persons) acquires a 90% or greater interest in HCL;
- Victorian and Queensland stamp duty is expected to arise on the transfer of all HCDL shares to HCL. The statutory liability for stamp duty rests with HCL as the acquirer of the HCDL shares on the Proposal Implementation Date. Stamp duty should be calculated at an effective rate of up to 0.65% on the proportionate value of all Queensland and Victorian property held indirectly via downstream trusts (including HomeCo Daily Needs REIT and HealthCo Healthcare and Wellness REIT) at the time of the transfer. The concessional listing rate of duty should apply provided that all of the shares of HCDL remain quoted on the ASX up to and including the time of acquisition by HCL on the Proposal Implementation Date; and
- the delisting of HCL from the ASX after the Proposal Implementation Date should not give rise to stamp duty.

SECTION 6

Details about the Proposal and Home Consortium Shareholder approvals

6.1. Implementation mechanics

The exchange of HCDL Shares for new HCL Shares will occur under the Scheme on the Proposal Implementation Date immediately following the implementation of the Destapling of Home Consortium Stapled Shares (see further section 6.3 below).

Under the Scheme, the HCDL Shares will be transferred from Eligible Shareholders and Ineligible Foreign Shareholders to HCL so that HCL will become the sole holder of the HCDL Shares.

Home Consortium Shareholders should be aware that, pursuant to the Scheme, each Home Consortium Shareholder on the Proposal Record Date will be deemed to have warranted to HCL that their HCDL Shares are not subject to any encumbrances or interests of third parties and that they have full power and capacity to sell and transfer such HCDL Shares.

Immediately following the implementation of the Scheme, the number of HCL Shares held by Home Consortium Shareholders will be consolidated so that Eligible Shareholders will hold one HCL Share for each Home Consortium Stapled Share they held at the Proposal Record Date (subject to rounding) (see further section 6.7 below).

6.2. Conditions and termination rights

The Proposal is subject to a number of conditions precedent which remain outstanding. The status of these conditions precedent is set out below:

Condition precedent	Status
Home Consortium Shareholder approval: Home Consortium Shareholders approve each of the Resolutions at the Meetings before the Second Court Hearing with the requisite majority.	The Meetings to consider the Resolutions will be held on 10 December 2021 as described in this Shareholder Booklet.
Court approval: the Court makes orders to approve the Scheme under section 411(4)(b) of the Corporations Act at the Second Court Hearing.	Court approval of the Scheme will be sought at the Second Court Hearing.
Regulatory approval: all regulatory approvals, consents, waivers, relief instruments, exemptions, judicial review and no action letters from ASIC and the ASX, or which the parties otherwise agree are necessary, are obtained on terms which are acceptable to Home Consortium (acting reasonably).	Home Consortium has applied to ASIC and ASX for the regulatory approvals in connection with the Proposal.
Legal restraint: no court issuing a final and non-appealable order, decree or ruling or taking other action which permanently restrains or prohibits (or could reasonably be expected to restrain or prohibit) the Proposal, or any other material legal restraint or prohibition preventing the implementation of the Proposal, as at 8.00am on the date of the Second Court Hearing.	Home Consortium is not aware of any such court orders or other actions.

Condition precedent	Status
No regulatory action: no preliminary or final decision, order or decree issued by a Government Agency, and no application being made to any Government Agency, or action or investigation being announced, threatened or commenced by a Government Agency, in consequence of or in connection with the Proposal which restrains or prohibits, or otherwise materially adversely affects, the implementation of the Proposal.	Home Consortium is not aware of anything that will cause this condition precedent not to be satisfied.
Third party consents: all approvals of a third party which Home Consortium considers reasonably necessary to implement the Proposal, are obtained on terms acceptable to Home Consortium.	Home Consortium has received consent to the Proposal under its existing debt facility with ANZ subject to satisfying certain conditions (including amending the existing debt facility to reflect the Proposal).

6.3. Destapling of Home Consortium Stapled Shares

The HCL Shares and HCDL Shares are currently stapled together so that they cannot be dealt with individually. In order to implement the Proposal in the manner proposed, it is necessary to Destaple the Home Consortium Stapled Shares prior to the transfer of HCDL Shares to HCL under the Scheme.

For this to occur, the resolution approving the destapling of Home Consortium Stapled Shares must be passed as a special resolution by at least 75% of the votes cast by Home Consortium Shareholders at the General Meetings.

In accordance with the HCL Constitution, HCDL Constitution and the Stapling Deed, Home Consortium must procure that the HCL Shares and HCDL Shares be destapled if:

- a special resolution of the members of both HCL and HCDL is passed to destaple the Home Consortium Stapled Shares;
- ASX has indicated in writing that it will grant permission for the destapling of the Home Consortium Stapled Shares; and
- Home Consortium determines that the destapling of the Home Consortium Stapled Shares is not contrary to the interests of Home Consortium Shareholders as a whole.

For the reasons outlined in this Shareholder Booklet, the Home Consortium Directors have determined that the Proposal, including the Destapling, is in the best interests of Home Consortium Shareholders as a whole.

On 3 November 2021, ASX indicated in writing that it will grant permission for the Destapling.

Accordingly, subject to the approval of the Destapling by Home Consortium Shareholders in their capacity as both HCL Shareholders and HCDL Shareholders, and the Scheme becoming Effective, the Destapling will occur on the Proposal Implementation Date.

The HCL Constitution and HCDL Constitution will not need to be amended in order to implement the Destapling. This is because, following a destapling resolution being passed, HCL and HCDL must procure that the 'stapling provisions' in the HCL Constitution and HCDL Constitution (as applicable) cease to apply.

6.4. Approval of the Scheme

First Court Hearing

On 4 November 2021, the Court ordered that the Scheme Meeting be convened and that this Shareholder Booklet be despatched to Home Consortium Shareholders. The orders made by the Court do not constitute an endorsement of the Scheme or this Shareholder Booklet.

Scheme Resolution

For the Scheme to take effect, section 411(4) of the Corporations Act requires a meeting of Home Consortium Shareholders (in their capacity as HCDL Shareholders) to be held, at which the Scheme must be approved by the passing of the Scheme Resolution by a majority in number of Home Consortium Shareholders present and voting (either in person or by proxy) at the Scheme Meeting and representing in aggregate not less than 75% of the votes cast on the Scheme Resolution at the Scheme Meeting.

The Scheme Resolution is set out in the Notice of Scheme Meeting in Annexure C of this Shareholder Booklet. The Scheme Resolution must then be provided to the Court, which will consider whether or not to approve the Scheme.

Second Court Hearing

HCDL will apply to the Court for an order approving the Scheme if the Scheme Resolution is approved by the requisite majority of Home Consortium Shareholders (in their capacity as HCDL Shareholders) at the Scheme Meeting. The Court has a discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the requisite majority of Home Consortium Shareholders. Each Home Consortium Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Hearing. The Corporations Act and section 2.13 of the

Supreme Court (Corporations) Rules 1999 (NSW) provide a procedure for creditors, contributories or officers to be heard at the Second Court Hearing. At common law, the Home Consortium Shareholders may also oppose the approval by the Court of the Scheme.

If you wish to oppose the approval of the Scheme at the Second Court Hearing you may do so by filing with the Court and serving on HCDL a notice of appearance in the form prescribed in section 2.9 of the Supreme Court (Corporations) Rules 1999 (NSW) together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on HCDL at the following address for service at least one day before the Second Court Hearing: Attention: Alexander Morris, King & Wood Mallesons, Level 61, 1 Farrer Place, Sydney NSW 2000.

With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. HCDL should be notified in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be 14 December 2021, though an earlier or later date may be sought. Any change to this date will be announced through the ASX and notified on Home Consortium's website (www.home-co.com.au).

ASIC has also been given the opportunity to comment on this Shareholder Booklet in accordance with section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objections to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing.

If the Scheme is approved by Home Consortium Shareholders at the Scheme Meeting and by the Court at the Second Court Hearing, the Scheme will become formally Effective when a copy of the Court orders approving the Scheme are lodged with ASIC, or on such earlier date as the Court determines and specifies in the order.

6.5. Implementation of the Scheme

a. Effective Date

The Scheme will, subject to the Resolutions being passed at the Meeting and all other Conditions Precedent being satisfied or waived, become Effective when the Court orders that the Scheme comes into effect under section 411(4)(b) of the Corporations Act, but in any event at no time before a copy of the Court order is lodged with ASIC ('**Effective Date**').

b. Determination of persons entitled to new HCL Shares

Proposal Record Date

Persons who are recorded as Home Consortium Shareholders on the Register on the Proposal Record Date (expected to be 7.00pm on 17 December 2021) will become entitled to new HCL Shares in respect of the HCDL Shares they hold at that time.

New HCL Shares which would have been issued to Ineligible Foreign Shareholders on the Register on the Proposal Record Date (expected to be 7.00pm on 17 December 2021) will instead be issued to the Sale Agent and sold on their behalf under the Sale Facility as described in section 6.6.

Dealings on or prior to the Proposal Record Date

For the purposes of calculating entitlements under the Scheme, any dealing in HCDL Shares will only be recognised if registrable transmission applications or transfers in registrable form in respect of those dealings are received on or by the Proposal Record Date.

Subject to the Corporations Act and the HCDL Constitution, HCDL must register registrable transmission applications or transfers of the kind recognised above which are effected by 7.00pm on the Proposal Record Date.

HCDL will not recognise for any purpose any transfer or transmission application in respect of HCDL Shares received after 7.00pm on the Proposal Record Date (other than as contemplated by the Scheme in relation to the transfer of HCDL Shares to HCL) or received prior to that time but not in registrable form.

Dealings after the Proposal Record Date

For the purposes of determining the entitlement to new HCL Shares, HCDL will, until (i) new HCL Shares have been issued to the Eligible Shareholders (including the Sale Agent); and (ii) HCL has been registered as the holder of the HCDL Shares, maintain the Register in its form as at the Proposal Record Date. The Register in this form will solely determine entitlements to new HCL Shares.

From the Proposal Record Date, except as evidence of entitlement to new HCL Shares in respect of the HCDL Shares relating to that entry, all statements of holding in respect of the HCDL Shares cease to have effect as documents of title in respect of such HCDL Shares and each entry on the Register will cease to be of any effect.

Issue of new HCL Shares

If the Scheme becomes Effective and is implemented:

- all of the HCDL Shares will be transferred to HCL by HCDL, without the need for any further act by a Home Consortium Shareholder; and
- Eligible Shareholders will receive new HCL Shares. Ineligible Foreign Shareholders will receive the proceeds from the sale by the Sale Agent of the new HCL Shares which would otherwise have been issued to them if they were not Ineligible Foreign Shareholders (see section 6.6).

Deemed warranty on transfer of HCDL Shares to HCL

Under the terms of the Scheme, Home Consortium Shareholders are taken to have warranted to HCL that:

- all of their HCDL Shares (including any rights and entitlements attaching to those shares) will, at the date of transfer to HCL, be fully paid and free from encumbrances; and
- they have full power and capacity to transfer their HCDL Shares (including any rights and entitlements attaching to those shares) to HCL under the Scheme.

Appointment of HCDL as attorney and agent for Home Consortium Shareholders

Under the terms of the Scheme:

- HCDL will have the power to do all things which it considers are necessary or desirable to effect the Scheme; and
- subject to the issuance of new HCL Shares, on and from the Proposal Implementation Date and until HCDL registers HCL as the holder of the HCDL Shares in the Register, each Home Consortium Shareholder (in their capacity as a HCDL Shareholder) appoints HCDL as attorney and agent to appoint HCL and each of its directors as its sole proxy, and where applicable, corporate representative, to attend shareholder meetings, exercise the votes attaching to HCDL Shares registered in their name, and sign any shareholder resolution.

Fractional entitlements

Fractional entitlements to new HCL Shares will be rounded to the nearest whole number of shares.

6.6. Sale Facility

Summary

Home Consortium will establish the Sale Facility and appoint the Sale Agent to sell any HCL Shares that would otherwise be issued to Ineligible Foreign Shareholders. Under the Sale Facility:

- if the Scheme becomes Effective, new HCL Shares will be issued by HCL to the Sale Agent on the Proposal Implementation Date;
- as soon as is reasonably practicable after the Proposal Implementation Date (and in any event no more than 30 days after the Proposal Implementation Date), the Sale Agent will sell the HCL Shares it holds. The sale will occur on market on the ASX in the ordinary course of trading; and
- no later than 5 Business Days after the day on the settlement of the sale of all HCL Shares, the Sale Agent will transfer the proceeds of the sale to an account operated by the Share Registry or nominated by Home Consortium and the net proceeds will be remitted to the Ineligible Foreign Shareholders.

The Sale Facility applies only to the consideration to be provided by HCL under the Scheme. Accordingly, while new HCL Shares that would otherwise be issued to Ineligible Foreign Shareholders in exchange for HCDL Shares under the Scheme will participate in the Sale Facility, existing HCL Shares that Ineligible Foreign Shareholders hold as at the Proposal Record Date following the Destapling of HCL Shares from HCDL Shares will not participate in the Sale Facility and continue to be held by Ineligible Foreign Shareholders.

Determination of sale proceeds

Each Ineligible Foreign Shareholder will participate in the Sale Facility and receive an amount equal to the average price per HCL Share at which the Sale Agent sold the HCL Shares under the Sale Facility, multiplied by the number of HCL Shares to which the Ineligible Foreign Shareholder would otherwise have held following the Scheme. Consequently, the amount received by each Ineligible Foreign Shareholder for each HCL Share may be more or less than the actual price that is received by the Sale Agent for that particular HCL Share. Any brokerage costs, fees and applicable taxes will be deducted from the proceeds of sale before being distributed to the Ineligible Foreign Shareholders.

Home Consortium will bear any expenses or taxes incurred by the Sale Agent.

The sale price of HCL Shares and the proceeds that the Ineligible Foreign Shareholder will receive cannot be guaranteed as the market price of HCL Shares is subject to change from time to time. Ineligible Foreign Shareholders will be able to obtain information on the market price of HCL Shares on the ASX's website (www.asx.com.au). The sale proceeds will not necessarily be the highest price at which the HCL Shares could be sold during the sale period.

The Sale Agent will sell the HCL Shares in such manner, at such prices, and at such times as the Sale Agent sees fit, and on such other terms as the Sale Agent determines in good faith (at the risk of the Ineligible Foreign Shareholders), with the objective of achieving the best prices reasonably available at the time of the relevant sales, bearing in mind:

- the total number of HCL Shares that are sold in the Sale Facility. If a large number of HCL Shares are required to be included in the Sale Facility, the sale price for those HCL Shares may be lower if the supply of HCL Shares available for sale is greater than the demand for the acquisition of HCL Shares during the relevant period;
- the prevailing market conditions, including the prevailing price of HCL Shares on the ASX and the prevailing demand for those shares; and
- the period during which the sale process is undertaken.

Alternatives to participating in the Sale Facility

As an alternative to participating in the Sale Facility, Home Consortium Shareholders who expect to be Ineligible Foreign Shareholders may choose to sell their Home Consortium Stapled Shares on market by the last day of trading of Home Consortium Stapled Shares (expected to be 15 December 2021). There are a number of differences between selling Home Consortium Stapled Shares on market and participating in the Sale Facility, including:

- the price may be higher or lower;
- under the Sale Facility, Ineligible Foreign Shareholders have no control over the sale proceeds they will receive;
- Ineligible Foreign Shareholders will need to wait until after the Sale Facility process is completed before they receive the sale proceeds; and
- transfers and sales under the Sale Facility will only proceed if the Proposal is implemented.

6.7. Approval of the Share Consolidation of HCL Shares

Immediately following implementation of the Scheme, Home Consortium will consolidate the number of HCL Shares held by Home Consortium Shareholders so that Eligible Shareholders will hold one HCL Share for each Home Consortium Stapled Share they held at the Proposal Record Date (subject to rounding). For this to occur, an ordinary resolution must be passed by at least 50% of the votes cast by Home Consortium Shareholders at the General Meetings.

If the Proposal proceeds, all Home Consortium Shareholders on the Register on the Proposal Record Date will have their HCL Shares consolidated on an approximately 2.65:1 basis.

Fractional entitlements to HCL Shares will be rounded to the nearest whole number of shares.

The Share Consolidation is expected to be implemented on 24 December 2021.

6.8. Delisting of HCDL

Following implementation of the Proposal, it is anticipated that HCDL will be delisted from the ASX.

The ASX has confirmed that Home Consortium Shareholders will not be required to pass a resolution to approve the delisting of HCDL.

If the Proposal proceeds, no further action is required by Home Consortium Shareholders for HCDL to be delisted from the ASX.

6.9. Entitlement to vote on the Proposal and voting exclusions

Approval thresholds

The approval thresholds for each of the Resolutions are as follows:

- the Scheme Resolution will be passed if it is passed by a majority in number of HCDL Shareholders who voted (in person or by proxy or representative) and 75% of the votes cast by Home Consortium Shareholders (in their capacity as HCDL Shareholders) entitled to vote;
- the resolutions of both HCL and HCDL approving the destapling of Home Consortium Stapled Shares will be passed as special resolutions only if they are passed by at least 75% of the votes cast by Home Consortium Shareholders (in their capacity as both HCL Shareholders and HCDL Shareholders) who voted (in person or by proxy or representative); and
- the resolution approving the consolidation of HCL Shares for the purposes of section 254H of the Corporations Act will be passed as an ordinary resolution only if it is passed by at least 50% of the votes cast by Home Consortium Shareholders (in their capacity as HCL Shareholders) who voted (in person or by proxy or representative).

Each Home Consortium Shareholder who is registered on the Register at 7.00pm on 8 December 2021 is entitled to attend and vote, either in person or by proxy, at the Scheme Meeting and the General Meetings.

Voting by poll

Each Resolution proposed at the Meetings will be decided by way of a poll. On a poll for:

- HCL, each Home Consortium Shareholder has one vote for every HCL Share held; and
- HCDL, each Home Consortium Shareholder has one vote for every HCDL Share held.

If you do not vote or vote against the Resolutions, but the Resolutions are approved by the required majority of Home Consortium Shareholders and all other conditions to the Proposal are either satisfied or waived, then the Proposal will be implemented and will be binding on all Home Consortium Shareholders.

SECTION 7

Additional information

This section sets out additional statutory information, as well as some additional information that may be of interest to Home Consortium Shareholders.

7.1. ASIC relief and ASX waivers

a. ASIC relief

HCDL has been granted relief, modifications or exemptions by ASIC from the following provisions of the Corporations Act:

- **Clause 8302(d) of Part 3 of Schedule 3 of the Corporations Regulations** – to limit disclosure to payments or benefits given in relation to the resignation or retirement of directors, secretaries and officers in connection with the implementation of the Proposal only (and not for other reasons); and
- **Clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations** – to allow this Shareholder Booklet to disclose material changes in the financial position of HCDL since 30 June 2021 (rather than since the date of the last balance sheet laid before the AGMs or distributed to shareholders).

b. ASX confirmations and waivers

ASX has provided various confirmations in connection with the Proposal, including:

- **ASX Listing Rule 6.12.4** – confirmation that Ineligible Foreign Shareholders may be divested of their HCDL Shares on the basis that divestment is under a Court order;
- **ASX Listing Rule 10.1** – a waiver from Listing Rule 10.1 to enable HCL Shares to be issued under the Scheme (to the extent they comprise "substantial assets" under the Listing Rules) to related parties, substantial holders and their associates without additional shareholder approval;
- **ASX Listing Rules 7.1 and 10.11** – confirmation that Listing Rules 7.1 and 10.11 do not apply to the issuance of HCL Shares to implement the Scheme;
- **ASX Listing Rule 6.23.4** – a waiver from Listing Rule 6.23.4 to enable the variation of incentive awards in connection with the Proposal on the basis that these arrangements will be disclosed in this Shareholder Booklet, who will then have the chance to vote on the Proposal with the benefit of such disclosure; and
- **ASX Listing Rules 7.1 and 10.14** – confirmation that approvals under Listing Rules 7.1 and 10.14 granted to Home Consortium in prior years in respect of the issuance of incentive rights continue to apply where such incentive rights are varied to the extent that they relate to HCL Shares only.

7.2. HCL Deed Poll

HCL has executed a deed poll in favour of each Eligible Shareholder and each Ineligible Foreign Shareholder under which it undertakes to perform all steps that it is required to perform to implement the Scheme. A full copy of the HCL Deed Poll is available on the Home Consortium website (www.home-co.com.au).

7.3. Restructure Deed

HCL and HCDL have executed a Restructure Deed which sets out the procedures to be followed to implement the Proposal and other related matters as described in this Shareholder Booklet.

The Restructure Deed sets out a number of conditions precedent to implementing the Proposal, some of which remain outstanding. The status of these conditions precedent are listed in section 6.2.

A full copy of the Restructure Deed was attached to Home Consortium's announcement on ASX dated 18 October 2021, which is available on the Home Consortium website (www.home-co.com.au).

7.4. Sale Facility Agreement

Home Consortium will appoint the Sale Agent under the Sale Facility Agreement for the purposes of the Sale Facility. The operation of the Sale Facility is described in section 6.6.

Under its terms, a party may terminate its obligations under the Sale Facility Agreement which have yet to be performed (other than any obligation to remit sale proceeds) if:

a. the performance of those obligations would or would be likely to constitute a breach by it of applicable laws or ASIC or ASX rules;

b. any other party breaches a material provision of the Sale Facility Agreement and fails to remedy the breach within a reasonable time of receiving notice; or

c. if the Scheme does not proceed for any reason.

7.5. Home Consortium Directors' interest in the Proposal

The number of Home Consortium Stapled Shares held (directly, indirectly or beneficially) by each Home Consortium Director as at the date of this Shareholder Booklet is set out in the following table:

Home Consortium Director	Number of Home Consortium Stapled Shares
Chris Saxon	208,038
David Di Pilla	37,310,930
Zac Fried	24,554,500
Greg Hayes	10,209,119
Brendon Gale	250,307
Jane McAloon	200,888
Kelly O'Dwyer	39,066

No Home Consortium Director holds any other marketable securities of Home Consortium or has an interest in the Proposal other than as a Home Consortium Shareholder as set out above.

No payment or other benefit is proposed to be made or given to any director, company secretary or executive officer of Home Consortium (including its related bodies corporate) as compensation for the loss of, or as consideration for or in connection with their retirement from, office in Home Consortium (including its related bodies corporate) in connection with the Proposal.

No Home Consortium Director has entered into any agreement or arrangement with any other person in connection with, or that is conditional on the outcome of, the Proposal.

Each Home Consortium Director will be entitled to vote at the Meetings and participate in the Proposal in respect of the Home Consortium Stapled Shares referred to above. Each Home Consortium Director intends to vote any Home Consortium Stapled Shares held or controlled by them in favour of the Resolutions.

7.6. Interests of experts and advisers

Home Consortium has agreed to pay total fees of approximately $1.0 million to the Independent Expert and the other legal, tax and accounting professional advisers for their services rendered in relation to the Proposal. Other than these payments, no person named in this Shareholder Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation of the Shareholder Booklet has any interest in the Proposal. No amounts other than these professional advisory fees have been paid or have agreed to be paid by any person to any such professional or adviser for services rendered by them in connection with the Proposal.

7.7. Effect of the Proposal on Home Consortium's employee equity schemes

Home Consortium established the NED Plan and EEP on 20 September 2019 (the **Plans**) as part of its employee remuneration strategy. Under the Plans, rights or options (together, **Rights**) are awarded to eligible employees and non-executive directors, which (upon exercise and/or other conditions) are settled by the issue of Home Consortium Stapled Shares, comprising one HCL Share and one HCDL Share. Should the Proposal proceed, it is proposed that each award, including the Rights already granted to participants (current as at 14 October 2021), will entitle the participants to be allocated HCL Shares, rather than Home Consortium Stapled Shares (the **Variation**). Each participant in the NED Plan and EEP will otherwise hold the same number of awards on the same terms (including any vesting conditions) as applicable to the participant's relevant awards prior to the Proposal.

The number of Rights affected by the Variation are as follows:

Plan ID	Plan Name	Grant Description	Grant Date	Number of Unvested Securities
COVID RSU	COVID Rights Plan	One-Off Rights Allocation	27/08/2020	225,356
COVID RSU	COVID Rights Plan	One-Off Rights Allocation – Top-Up	13/01/2021	37,211
IPO RSU	IPO One-Off Rights	IPO Rights Allocation	16/10/2019	295,522
IPO RSU	IPO One-Off Rights	IPO Rights Allocation – Top-Up	13/01/2021	48,797
LTI RSU	LTI Performance Rights	FY20 LTI Allocation	16/10/2019	374,627
LTI RSU	LTI Performance Rights	FY20 LTI Allocation – Top-Up	13/01/2021	61,858
LTI RSU	LTI Performance Rights	FY21 LTI Allocation	25/11/2020	322,785
LTI RSU	LTI Performance Rights	FY21 LTI Allocation	18/01/2021	305,290
LTI RSU	LTI Performance Rights	FY21 LTI Allocation – Top-Up	13/01/2021	53,298

A number of amendments will be made to the Plans to allow for the Variation to the terms of Rights such that Rights will entitle participants to HCL Shares. The Variation will occur within two months of the passing of the resolutions approving the Proposal.

7.8. Foreign jurisdictions

The distribution of this Shareholder Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Home Consortium disclaims all liability to such persons.

Home Consortium Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

The offer of securities made pursuant to this Shareholder Booklet is made in compliance with the laws of Australia, and in compliance with all other relevant codes, rules and other requirements that apply to the offer in Australia. Other than as set out below, no action has been taken to register or qualify this Shareholder Booklet or any aspect of the Proposal in any jurisdictions outside of Australia. Nothing in this Shareholder Booklet should be taken to be an invitation, offer, financial promotion, distribution or advice, in relation to any securities or financial product (including Home Consortium Stapled Shares), to any Ineligible Foreign Shareholders.

a. China

This Shareholder Booklet does not constitute a public offer of securities, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The new HCL Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

b. Hong Kong

WARNING: This Shareholder Booklet has not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Proposal. If you are in any doubt about any content in this Shareholder Booklet, you should obtain independent professional advice.

This Shareholder Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire an interest in or participate in a collective investment scheme. This Shareholder Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Shareholder Booklet in Hong Kong, other than to persons who are ‘professional investors’ (as defined in the Securities and Futures Ordinance (‘SFO’) and any rules made thereunder) or in other circumstances that do not result in this Scheme Booklet constituting an invitation to the public of Hong Kong for the purpose of the SFO.

Copies of this Shareholder Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this document, or any offer or an invitation in respect of the document, to the public in Hong Kong. This Shareholder Booklet is for the exclusive use of Home Consortium Shareholders in connection with the Proposal, and no steps have been taken to register or seek authorisation for the issue of this document in Hong Kong.

This Shareholder Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration by the person to whom this document is addressed.

c. Netherlands

This Shareholder Booklet may only be distributed in the Netherlands to existing Home Consortium Shareholders. This Shareholder Booklet has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this Shareholder Booklet may not be made available, nor may the new HCL Shares be offered for sale in the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.

Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.

d. New Zealand

This Shareholder Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law.

The offer of new HCL Shares under the Scheme is being made to existing securityholders of Home Consortium in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Shareholder Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

e. United Kingdom

Neither this Shareholder Booklet nor any other document relating to the Proposal has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (‘FSMA’)) has been published or is intended to be published in respect of the new HCL Shares.

This Shareholder Booklet may be distributed in the United Kingdom only to existing securityholders of Home Consortium and does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this document does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the new HCL Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Home Consortium.

In the United Kingdom, this Shareholder Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document.

f. United States

HCL intends to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Proposal and the issuance of new HCL Shares. Approval of the Proposal by an Australian court will be relied upon by HCL for purposes of qualifying for the Section 3(a)(10) exemption.

US securityholders of Home Consortium should note that the Proposal is made in connection with an Australian entity in accordance with the laws of Australia and the listing rules of ASX. The Proposal is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since HCL is located in Australia and its officers and directors reside outside the United States. You may not be able to sue HCL or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel HCL and its affiliates to subject themselves to a US court's judgment.

The Shareholder Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Proposal or the accuracy, adequacy or completeness of the Shareholder Booklet. Any representation to the contrary is a criminal offence.

The new HCL Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Proposal is not being made available in any US state or other jurisdiction where it is not legally permitted to do so.

7.9. Privacy

In communication with the Share Registry and Home Consortium, you may be requested to provide personal information. Home Consortium, and the Share Registry on its behalf, collect, hold and use your personal information to service your needs as a Home Consortium Shareholder, provide facilities and services that you request and carry out appropriate administration. If you do not provide your personal information, Home Consortium and the Share Registry may not be able to service your needs as a Home Consortium Shareholder.

The Corporations Act requires information about Home Consortium Shareholders (including name, address and details of holdings of securities) to be included in the Register. This information must continue to be included in the Register if you cease to be a Home Consortium Shareholder.

Home Consortium and the Share Registry may disclose your personal information for purposes related to your investment to their related entities, agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- the Share Registry for ongoing administration of the Register;
- a regulatory agency in compliance or purported compliance with regulatory obligations;
- printers and other companies for the purpose of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Home Consortium Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, management consultants and other advisors for the purpose of administering, and advising on, the Home Consortium Stapled Shares and for associated actions.

The related entities, agents and service providers of Home Consortium may be located outside Australia where your personal information may not receive the same level of protection as that afforded under the Privacy Act and you may not be able to seek redress under the Privacy Act.

You may request access to your personal information held by or on behalf of Home Consortium. You can request access to your personal information or obtain further information about Home Consortium's privacy practices by contacting the Share Registry. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. Home Consortium will aim to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the Register will be accessible by members of the public.

If you hold Home Consortium Stapled Shares on the Register, please contact the Home Consortium Shareholder Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) between 9.00am to 5.00pm (Sydney time) Monday to Friday if you do not consent to Home Consortium using or disclosing your personal information in these ways. By investing in Home Consortium, you will be taken to have consented to these uses and disclosures.

7.10. Availability of documents

Home Consortium is a disclosing entity for the purposes of the Corporations Act. As such, Home Consortium is subject to regular reporting and continuous disclosure obligations.

These obligations require Home Consortium to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market. Once Home Consortium becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of a Home Consortium Stapled Share or HCL Share (as applicable), Home Consortium must (subject to limited exceptions) immediately tell ASX that information.

Publicly disclosed information about all ASX-listed entities, including Home Consortium, is available on the ASX website www.asx.com.au. Publicly disclosed information about Home Consortium is also available at its website www.home-co.com.au. Additionally, copies of documents lodged with ASIC in relation to Home Consortium may be obtained from or inspected at ASIC. Please note ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Meetings:

- this Shareholder Booklet;
- the HCL Constitution;
- the HCDL Constitution;
- Home Consortium's 2021 Annual Report; and
- any public announcement of Home Consortium lodged after Home Consortium's 2021 Annual Report.

7.11. Consents

The following parties have given and have not withdrawn, before the registration of this Shareholder Booklet by ASIC, their written consent to be named in this Shareholder Booklet in the form and context in which they are named:

- King & Wood Mallesons as Australian legal adviser (other than in relation to taxation matters) to Home Consortium;
- PricewaterhouseCoopers as auditor to Home Consortium;
- Grant Thornton Corporate Finance Pty Ltd as the Independent Expert;
- Greenwoods & Herbert Smith Freehills as tax advisor (excluding stamp duty) to Home Consortium;
- Baker McKenzie as stamp duty advisor to Home Consortium;
- Link Market Services Limited as Home Consortium's Share Registry; and
- Macquarie Securities (Australia) Limited as Sale Agent.

7.12. Supplementary information

Home Consortium will issue a supplementary document to this Shareholder Booklet if it becomes aware, between the date of lodgement of this Shareholder Booklet for registration by ASIC and the Effective Date:

- that a material statement in this Shareholder Booklet is false or misleading in a material respect;
- that there is a material omission from this Shareholder Booklet;
- of a significant change affecting a matter included in this Shareholder Booklet has occurred; or
- of a significant new matter that has arisen which would have been required to be included in this Shareholder Booklet if it had arisen before the date of lodgement of this Shareholder Booklet for registration by ASIC.

The form which the supplementary document may take will depend on the nature and timing of the new or changed circumstances.

7.13. Statement of Home Consortium Directors

Except as set out in this Shareholder Booklet, so far as the Home Consortium Directors are aware, there is no other information material to the making of a decision on how to vote in relation to the Resolutions, being information that is within the knowledge of any Home Consortium Director which has not been previously disclosed to Home Consortium Shareholders.

Signed for and on behalf of each of the Home Consortium Directors.

Chris Saxon

Chair

SECTION 8

Glossary

The following is a glossary of certain terms used in this Shareholder Booklet.

Term	Meaning
AAS	Australian Accounting Standards
AGMs	the annual general meetings of HCL and HCDL.
ANZ	Australia and New Zealand Banking Group Limited (ACN 005 357 522) and/or ANZ Fiduciary Services Pty Ltd (ACN 100 709 493).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by it, as the context requires.
ATO	the Australian Taxation Office.
Business Day	a weekday on which trading banks are open for business in Sydney.
Corporations Act	the *Corporations Act 2001* (Cth).
Corporations Regulations	the *Corporations Regulations 2001* (Cth).
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act.
Destapling	means the destapling of the HCL Shares from the HCDL Shares such that they are not required to be dealt with together and **Destaple** shall be construed accordingly.
EEP	means the Employee Equity Plan established by Home Consortium on 20 September 2019.
Effective	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before a copy of the Court order is lodged with ASIC.
Effective Date	means the date on which the Scheme becomes Effective.
Eligible Foreign Shareholder	a Foreign Shareholder in relation to whom Home Consortium has determined that it is not prohibited and not unduly onerous or impractical to issue new HCL Shares to it under the Scheme. A list of foreign jurisdictions (other than Australia) to which Home Consortium is satisfied it can issue securities is described in section 2.12 of this Shareholder Booklet.

Term	Meaning
Eligible Shareholder	a. each Home Consortium Shareholder whose address is recorded on the Register as at the Proposal Record Date as being in Australia or its external territories; and b. each Eligible Foreign Shareholder.
Exchange Ratio	means 1.6501891222 HCL Shares for each HCDL Share.
FIRB	the Foreign Investment Review Board.
Foreign Shareholder	a Home Consortium Shareholder on the Proposal Record Date whose address on the Register is a place outside of Australia and its external territories.
General Meetings	the HCL General Meeting and the HCDL General Meeting.
General Meetings Proxy Forms	the HCL General Meeting Proxy Form and the HCDL General Meeting Proxy Form.
General Meetings Resolutions	the resolutions as set out in Annexures D and E, to be considered by Home Consortium Shareholders at the General Meetings.
Government Agency	any government, governmental, semi-governmental, administrative, fiscal or quasi-judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
HCDL AGM	the annual general meeting of HCDL.
HCDL Constitution	the constitution of HCDL.
HCDL General Meeting	the extraordinary general meeting of HCDL Shareholders, the notice for which is set out at Annexure E.
HCDL General Meeting Proxy Form	the proxy form for the HCDL General Meeting which accompanies this Shareholder Booklet.
HCDL or **Home Consortium Developments Limited**	Home Consortium Developments Limited (ACN 635 859 700).
HCDL Share	a fully paid ordinary share in HCDL.
HCDL Shareholder	each person who is registered in the Register from time to time as the holder of a HCDL Share.
HCL AGM	the annual general meeting of HCL.
HCL Constitution	the constitution of HCL.
HCL Deed Poll	the deed poll under which HCL covenants in favour of each Eligible Shareholder and each Ineligible Foreign Shareholder to perform acts attributed to it under the Scheme.
HCL General Meeting	the extraordinary general meeting of HCL Shareholders, the notice for which is set out at Annexure D .
HCL General Meeting Proxy Form	the proxy form for the HCL General Meeting which accompanies this Shareholder Booklet.
HCL or **Home Consortium Limited**	Home Consortium Limited (ACN 138 990 593).
HCL Share	a fully paid ordinary share in HCL.
HCL Shareholder	each person who is registered in the Register from time to time as the holder of a HCL Share.
HCW	HealthCo Healthcare and Wellness REIT (ASX: HCW).
HDN	HomeCo Daily Needs REIT (ASX: HDN).
Home Consortium	the Home Consortium group comprising HCL and HCDL and their subsidiaries and controlled entities.
Home Consortium Board	the board of directors of Home Consortium.

Term	Meaning
Home Consortium Directors	the directors of Home Consortium.
Home Consortium Shareholder	each person who is registered in the Register from time to time as the holder of a Home Consortium Stapled Share (prior to implementation of the Proposal) or as the holder of a HCL Share (following implementation of the Proposal), as the case may be.
Home Consortium Stapled Share	a HCL Share and a HCDL Share which are stapled such that they can only be dealt with together.
IFRS	International Financial Reporting Standards.
Independent Expert	Grant Thornton Corporate Finance Pty Ltd.
Independent Expert's Report	the report of the Independent Expert, set out at Annexure A.
Ineligible Foreign Shareholder	a Foreign Shareholder who is not an Eligible Foreign Shareholder.
Meetings	the Scheme Meeting and the General Meetings.
NED Plan	means the Non-Executive Director Equity Plan established by Home Consortium on 20 September 2019.
Privacy Act	*Privacy Act 1988* (Cth).
Proposal	the arrangement described in this Shareholder Booklet by which Home Consortium is restructured to simplify its existing stapled structure which involves the following key elements: a. the Destapling; b. the Scheme; c. the operation of the Sale Facility; d. the Share Consolidation; and e. the removal of HCDL from the official list of ASX.
Proposal Implementation Date	the date that the Proposal is implemented, anticipated to be Friday, 24 December 2021.
Proposal Record Date	the Scheme Record Date and Share Consolidation Record Date, which are both expected to occur at 7.00pm on 17 December 2021.
Proxy Forms	the Scheme Meeting Proxy Form and the General Meetings Proxy Forms.
Register	the register of Home Consortium Shareholders maintained in accordance with the Corporations Act.
Related Body Corporate	has the meaning given to it in the Corporations Act.
Resolutions	the Scheme Resolution and the General Meetings Resolutions.
Sale Agent	Macquarie Securities (Australia) Limited (ABN 58 002 832 126) (Australian Financial Services Licence Number: 238947).
Sale Facility	the facility under which new HCL Shares that would otherwise be issued to Ineligible Foreign Shareholders are issued to the Sale Agent and the HCL Shares are sold, and net sale proceeds are returned to Ineligible Foreign Shareholders as described in section 6.6.
Sale Facility Agreement	the agreement to be entered into between HCL, HCDL and the Sale Agent in respect of the Sale Facility.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between HCDL and all Home Consortium Shareholders (in their capacity as HCDL Shareholders), under which all HCDL Shares will be transferred to HCL and Eligible Shareholders will receive new HCL Shares as scrip consideration for their HCDL Shares on the basis of the Exchange Ratio, substantially in the form contained in Annexure B , together with any alterations or conditions made or required by the Court under the Corporations Act.

Term	Meaning
Scheme Meeting	the meeting to be convened by the Court pursuant to the Scheme.
Scheme Meeting Proxy Forms	the proxy form for the Scheme Meeting which accompanies this Shareholder Booklet.
Scheme Record Date	7.00pm on the second Business Day following the Effective Date or such other date as HCL and HCDL agree, anticipated to be 17 December 2021.
Scheme Resolution	the resolution to approve the Scheme, to be considered by Home Consortium Shareholders (in their capacity as holders of HCDL Shares) at the Scheme Meeting.
Share Consolidation	the approximately 2.65:1 consolidation of HCL Shares that will occur immediately after the issue of new HCL Shares under the Scheme on the Proposal Implementation Date, to occur on the basis that each number of HCL Shares determined by dividing the number of HCL Shares on issue immediately after the implementation of the Scheme by the number of HCL Shares on issue as at the Proposal Record Date will be consolidated into 1 HCL Share, with fractional entitlements rounded to the nearest whole number.
Share Consolidation Record Date	expected to be 7.00pm on 17 December 2021.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
Shareholder Booklet	this booklet.
Share Registry	Link Market Services Limited (ACN 083 214 537)
Stapling Deed	the stapling deed between HCL and HCDL dated on or around 21 September 2019.

Interpretation

In this Shareholder Booklet (other than the Annexures):

a. except as otherwise provided, all words and phrases used in this Shareholder Booklet have the meanings (if any) given to them by the Corporations Act;

b. headings are for ease of reference only and will not affect the interpretation of this Shareholder Booklet;

c. words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. A reference to a person includes a reference to a corporation;

d. all dates and times are Sydney, Australia times;

e. a reference to $, A$, AUD and cents is to Australian currency, unless otherwise stated; and

f. a reference to a section or Annexure is to a section in or Annexure to this Shareholder Booklet, unless otherwise stated.

ANNEXURE A

Independent Expert's Report

Grant Thornton
An instinct for growth™

Home Consortium Developments Limited

Independent Expert's Report and Financial Services Guide

2 November 2021

Grant Thornton Corporate Finance Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Mr William McMicking
Chief Financial Officer
Home Consortium Developments Limited
19 Bay Street
Double Bay NSW 2028

2 November 2021

Dear William

Introduction

Home Consortium Group ("HMC" or "the Group" or "Home Consortium") is an integrated capital light property group focused on owning, developing and managing long duration property assets and property funds in Australia. The Group has assets under management ("AUM") of c. A$2.6 billion[1] and direct property investments of c. A$163.1 million on a pro-forma[2] basis in October 2021. As at 12 October 2021, HMC had a market capitalisation of c. A$2.2 billion[3].

HMC is a stapled group under which the shares of Home Consortium Limited ("HCL") and Home Consortium Developments Limited ("HCDL") are stapled under the terms of the Stapling Deed to form the stapled securities ("Stapled Shares") such that shares in HCL and HCDL must be purchased or sold together. This structure was put in place at the time of formation of the HCL and HCDL constitutions and in conjunction with the listing on the Australian Securities Exchange ("ASX") in October 2019.

Since listing, the Group's corporate strategy has transitioned from an asset owner into a capital light fund manager, which has resulted in the Group establishing two separate investment vehicles seeded with existing property assets as outlined below. HMC continues to be the external manager.

[1] Total AUM calculated as HDN Property assets valued at A$1.79 billion + HCW Property assets valued A$668 million (including the acquisition of A$200 million of properties announced on 15 October 2021 + HMC direct property assets A$163.1 million = c. A$2.6 billion. They exclude the transaction with Aventus Group announced on 18 October 2021.
[2] Pro-forma June 2021 balance sheet following the establishment of HealthCo Healthcare & Wellness and the sale of 9 properties to HDN.
[3] Based on a closing share price of A$7.50 on 12 October 2021.

Grant Thornton
An instinct for growth™

- HomeCo Daily Needs (“HDN”), an Australian Real Estate Investment Trust (“REIT”) listed on the ASX on 20 November 2020 with a mandate to invest in predominately metro-located, convenience based assets across target sub-sectors of Neighbourhood Retail, Large Format Retail and Health and Services. HDN has a market capitalisation of A$1.3 billion as at 12 October 2021[4] and a portfolio of 32 assets with a fair value of A$1.79 billion as at October 2021[5]. HMC owns a c. 24.1%[6] interest in HDN[7].

- HealthCo Healthcare & Wellness (“HCW”), an Australian REIT listed on the ASX on 2 September 2021 with a mandate to invest in hospitals, aged care, childcare, government Life sciences and research as well as other healthcare and wellness properties. HCW has a market capitalisation of A$702.3 million as at 12 October 2021 and a portfolio of 40 assets with a fair value of A$668 million as at October 2021[8]. HMC owns a c. 19.9% interest in HCW.

As a result of the strategic focus on funds management and the establishment of HDN and HCW assets, HMC announced on 18 October 2021 a restructure (“Proposed Restructure”) of the Group, under which HCL and HCDL will be un-stapled and HCL will become the sole listed entity of the Group. The Proposed Restructure, which will be implemented via a scheme of arrangement under 5.1 of the Corporations Act (“Scheme”), will include the following steps:

- *Destapling* - Shareholders of HMC (“Scheme Shareholders”, “Members” or “HMC Shareholders”) will be required to vote on the Scheme in which Shares in HCL and HCDL are un-stapled.

- *Issuing of HCL Shares and acquisition of HCDL shares* – HCL will issue 1.65[9] HCL Shares to Eligible Shareholders[10] for each 1 Stapled Share so that the underlying economic interest of HMC Shareholders does not change. In consideration for the issue of HCL Shares, HCL will acquire all the ordinary shares in HCDL and HCDL will become a wholly-owned subsidiary of HCL.

- *Consolidation of HCL Shares* – HCL Shares will be consolidated on the basis that every 2.65[11] HCL Shares will be converted into to 1 HCL Share so that Eligible Shareholders will hold one share in HCL for each Stapled Share they currently hold.

If the Scheme is implemented, there would be no change in the economic interests of Scheme Shareholders, the strategy of the Group or the underlying assets held by HMC. The Scheme is subject to customary conditions precedent as set out in the Shareholder Booklet and in Section 1 of this report.

We note that certain foreign shareholders will be ineligible to be issued HCL Shares under the Scheme (“Ineligible Shareholders). As such, a sale facility has been put in place under which HCL Shares will be issued to a sale agent in respect of any shares that would otherwise be issued to

[4] Excluding the transaction with Aventus Group announced on 18 October 2021.
[5] Fair value of the assets as at 30 June 2021 adjusted for the capital expenditure incurred since then and pro-forma adjusted for the acquisitions announced since 30 June 2021.
[6] Excluding holdings held by entities associated with HMC but omitted from the consolidated group.
[7] This includes the 22.42% held by HCL and the 1.65% held by HCDL.
[8] Based on independent valuations as at 31 August 2021 for all properties excluding Armadale, Nunawading and the GenesisCare portfolio which are at purchase price.
[9] 1.6501891222 exactly.
[10] All Shareholders other than the Ineligible Shareholders as described below.
[11] 2.6501891222 exactly.

Ineligible Shareholders. The sale agent will sell these HCL shares on the ASX as soon as it is reasonably practicable to do so with the net proceeds provided to the Ineligible Shareholders.

The Directors of Home Consortium ("Directors") have unanimously recommended that Scheme Shareholders vote in favour of the Scheme and have advised that each Director intends to vote all HMC Shares, held or controlled by them, in favour of the Scheme.

Purpose of the report and basis of assessment

The Directors have engaged Grant Thornton Corporate Finance to form an opinion whether or not the Scheme is in the best interests of the Members. When preparing this IER, Grant Thornton Corporate Finance had regard to the Australian Securities Investment Commission ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

While the legal form of the Scheme involves the exchange of shares in HCDL for shares in HCL, which is akin to a change in control transaction, the substance of the Scheme is that (other than in respect of Ineligible Shareholders) the underlying economic interests of the Shareholders do not change and the proportionate shareholdings in HMC will be substantially identical before and after the Proposed Restructure. In addition, there are no proposed changes to the Board of Directors, Management Team and principal activities of HMC as a result of the Proposed Restructure.

We have therefore assessed whether or not the Scheme is in the best interest of the Members by comparing the advantages and disadvantages of the Scheme.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the BEST INTERESTS of the HMC Shareholders.

The Scheme is being implemented to give effect to the Proposed Restructure. Therefore, the advantages and disadvantages of the Scheme are primarily comprised of the advantages and disadvantages of the Proposed Restructuring. As part of the analysis, we have primarily relied on the information included in the Shareholder Booklet and other information made available to us by the Group.

Advantages of the Scheme

Simplified and streamlined company structure for investors

The Proposed Restructure will simplify the Group structure as stapled structures are not widely adopted in particular outside Australia. Even in Australia, these structures are/were not common for listed fund managers. This complexity, along with the potential unfamiliarly of stapled structures for investors, may potentially detract both domestic and foreign investors from investing in HMC.

Reduction in costs and overhead expenses

Given the Proposed Restructure will eliminate the stapling and delist HCDL, the Group has estimated a reduction in certain overhead costs associated with compliance, treasury, legal, governance and administration. The cost savings have been estimated at c. A$0.15 million per annum with the cost savings expected to be maintained in perpetuity. The value accretion generated by the capitalisation of the cost savings is greater than the one-off costs expected to be incurred as a result of implementation of the Proposed Restructure.

We also note for individual HMC Shareholders, the current stapled company structure requires them to track the tax cost base of the individual companies for reporting purposes. Under a simplified single company structure, it will be easier to report and track their holdings resulting in a potential decreased administrative burden.

In addition, under the current structure, shareholders can only be provided with CGT rollover relief in relation to one of the companies in the stapled structure, which accordingly will not capture 100% of their investment. This potential issue could, for example, manifest itself in the case of a scrip merger, and will be eliminated if the Proposed Restructure is implemented.

Simplified financial reporting

HMC's current stapled company structure requires the preparation and independent review or audit of two sets of financial statements for ASX reporting purposes on a semi-annual basis. The Proposed Restructure will result in simplified financial reporting through a single corporate structure and associated financial statements which should increase transparency and enhance the level of understanding of retail shareholders.

Superior to other alternatives

The Proposed Restructure is designed to simplify the corporate structure in order to achieve efficiencies and allow HMC to better execute its corporate strategy. We have been advised and are unaware of any alternatives which would achieve the destapling in a more direct and efficient manner, hence we consider the Proposed Restructure to be the best alternative available to Scheme Shareholders.

Disadvantages of the Scheme

Transaction costs

The Proposed Restructure will cause HMC to incur various transaction costs including legal, accounting, tax, treasury, filing, registration and stamp duty estimated at A$1.5 million. We note that some of these costs will have already been incurred at the date of the Scheme meeting. Refer to Section 2.3 of this Shareholder Booklet.

Ineligible Shareholders Sale Facility

HCL Shares that the Ineligible Shareholders would otherwise have been entitled to will be transferred to a Sales Agent, who will sell them on behalf of the Ineligible Shareholders with the sale proceeds remitted to them. As a result of this, there may also be tax consequences for Ineligible Shareholders as a result of the Proposed Restructure.

Furthermore, equity markets are currently in the midst of a period of high volatility and accordingly the timing of the sale of HCL Shares may adversely affect the price that Ineligible Shareholders may receive.

Other factors

No change in economic interests of Scheme Shareholders

If the Scheme is implemented, there would be no change in the economic interests of Scheme Shareholders. The underlying business and operations of HMC will remain unchanged and HMC Shareholders will continue to be exposed to the existing risks associated with their current investment in HMC.

Tax implications

We note that should the Scheme be implemented there will be additional tax implications and risks for HMC Shareholders. Most pertinently, if a CGT roll-over is not available in respect of the proposal, HMC Shareholders will be required to include any capital gain realised on the disposal of their HCDL shares in their assessable income. We note however that HMC has applied to the ATO for a class ruling to confirm that a scrip for scrip roll-over is available for Australian HMC residents who would otherwise experience a capital gain on their investment. Please refer to section 2.8 of the Shareholder Booklet for more information.

Implications if the Proposed Restructure is not implemented

We note that that if the Proposed Restructure is not implemented, HMC will remain as a stapled company structure listed on the ASX. HMC has incurred non-recoverable transaction costs of approximately A$1.0 million, which represent sunk costs without the realisation of any benefits of the Proposed Restructure.

Overall conclusion

In our opinion, the advantages of the Scheme outweigh the disadvantages and accordingly the Scheme is in the **Best Interests** of the HMC Shareholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Scheme is a matter for each Scheme Shareholder to decide based on their own views of the Proposed Restructure and expectations about future market conditions, HMC's performance, risk profile and investment strategy. If Scheme Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

JANNAYA JAMES
Authorised Representative

2 November 2021

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by HMC to provide general financial product advice in the form of an independent expert's report in relation to the Scheme. This report is included in HMC's Shareholder Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from HMC a fee of A$80,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of HMC in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with HMC *(and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Scheme.*

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the Scheme Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of Section 912B of the Corporations Act, 2001.

Grant Thornton
An instinct for growth™

Contents

1 Overview of the Scheme

The Group is proposing a restructure under which HCL will become the sole listed entity of HMC in place of the current stapled structure. In order to implement the Proposed Restructure, the Company will proceed with the following steps (please refer to the Shareholder Booklet for more details).

- *Destapling of HMC* - Shareholders of HMC will be required to vote on the Scheme in which Shares in HCL and HCDL are destapled under the terms of the Stapling Deed, put in place at the time of the initial listing and formation of the HCL and HCDL constitutions. We also note that written permission must also be granted from the ASX for the destapling to proceed, as well as lender consent.

- *Issuing of HCL Shares and acquisition of HCDL shares* – HCL will issue 1.65[12] HCL Shares to Eligible Shareholders[13] for each 1 Stapled Share so that the underlying economic interest of HMC Shareholders does not change. In consideration for the issue of HCL Shares, HCL will acquire all the ordinary shares in HCDL and HCDL will become a wholly-owned subsidiary of HCL.

- *Consolidation of HCL Shares* – HCL Shares will be consolidated on the basis that every 2.65[14] HCL Shares will be converted into to 1 HCL Share so that Eligible Shareholders will hold one share in HCL for each Stapled Share they currently hold.

The Proposed Restructure is subject to a number of conditions precedent including but not limited to the following:

- HMC Shareholders' approval at the Scheme Meeting in accordance with the required majorities.

- The Supreme Court of New South Wales approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act.

- All ASIC, ASX and other regulatory consents, waivers and approvals are provided that are necessary to implement the Proposed Restructure.

- The Independent Expert issues a report which concludes that the Scheme is in the best interests of the HMC Shareholders.

- No injunctions, restraining orders, or other orders are issued or in effect.

[12] 1.6501891222 exactly.
[13] All Shareholders other than the Ineligible Shareholders as described below.
[14] 2.6501891222 exactly.

2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 (the "Corporations Regulations") prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

The Directors of HMC have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of HMC Shareholders.

2.2 Basis of assessment

In preparing this report, Grant Thornton Corporate Finance has had regard to RG 111 which contains certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act and Regulatory Guide 60 Schemes of arrangement ("RG60"). RG 111 is framed largely in relation to reports prepared pursuant to section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

However, we note that RG 111 does not specify the basis of evaluation for a destapling transaction but does indicate that the basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction, that is, the expert must consider the substance of the proposed transaction and not the legal form when evaluating it.

The economic substance of the Proposed Restructure is that there is substantially no change in the economic interests of shareholders in eligible jurisdictions, who effectively retain their existing holdings in the Group following implementation of the Proposed Restructure. While the legal form of the Scheme, involving the exchange of shares in HCL with shares in HCDL is akin to a change in control transaction, there is not, in substance, any change in control taking place and the strategy, Management Team and Directors of the Group also remain unchanged. Accordingly, we do not consider it appropriate to analyse the Proposed Restructure to be implemented via the Scheme as a control transaction.

The range of transactions regulated by RG 111 includes transactions not involving a change of control, such as demergers and demutualisations. RG 111 indicates that for these types of transactions, the issue of 'value' (which is fundamental in transactions involving a change of control) is of secondary importance and that the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages.

Taking into account the guidance contained in RG 111, we consider that the most appropriate approach to assess whether the Proposed Restructure is fair and reasonable to the Group Shareholders is to consider the advantages and disadvantages of the Scheme.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of HMC and its Directors and all other relevant parties of the Scheme.

2.4 Consent and other matters

Our report is to be read in conjunction with the Shareholder Booklet dated on or around 5 November 2021 in which this report is included, and is prepared for the exclusive purpose of assisting HMC Shareholders in their consideration of the Scheme. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Shareholder Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Scheme on HMC Shareholders as a whole. We have not considered the potential impact of the Scheme on individual HMC Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Scheme on individual shareholders.

The decision of whether or not to approve the Scheme is a matter for each HMC Shareholder based on his or her views on the value of HMC and expectations about future market conditions, together with HMC's performance, risk profile and investment strategy. If HMC Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

2.5 Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services ("APES 225") as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

"An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time."

Grant Thornton
An instinct for growth™

3 Industry Overview

Australia has a large funds management sector with c. A$4.3 trillion Funds Under Management ("FUM") as at 30 June 2021[15]. This is primarily driven by superannuation funds, which collectively account for c. 84% of institutionally managed assets in the country with the largest share (c. 26%) allocated to units in trusts (i.e. REITs).

Managed funds can take a variety of forms including both listed and unlisted as well as closed and open ended fund structures. Listed managed funds on the ASX, like those managed by HMC, can be categorised into four groups as followed:

- *Listed Investment Companies ("LIC") and Trusts ("LIT"):* LICs and LITs provide exposure for investors to a basket of securities (generally shares) and are usually close ended. Investor's cash is pooled into a managed fund and a professional investment manager selects the fund's securities and invests it.
- *Infrastructure Funds:* Infrastructure funds are managed funds that invest primarily in facilities and utilities that provide essential services to communities such as airports, toll roads, educational facilities, water and gas supply networks, energy and telecommunications facilities etc.
- *Absolute Return Funds:* Absolute return funds are targeted towards generating positive returns regardless of market volatility. These are also commonly known as hedge funds, and have access to an extremely wide array of investment vehicles.
- *REITs:* REITs operate as trust structures that provide security holders with an opportunity to invest in a vehicle that owns/holds investments in property assets. REITs tend to be more passive with a longer term outlook and larger focus on distributions.

3.1 Australian REITs

Investors generally evaluate REITs by assessing the security of the rental and other property income, quality of the individual property portfolio and diversification, tenant covenants, distribution yield, Weighted Average Lease Expiry ("WALE"), gearing and quality of management. REITs usually invest in a range of properties in various sub-sectors and geographical locations including the following:

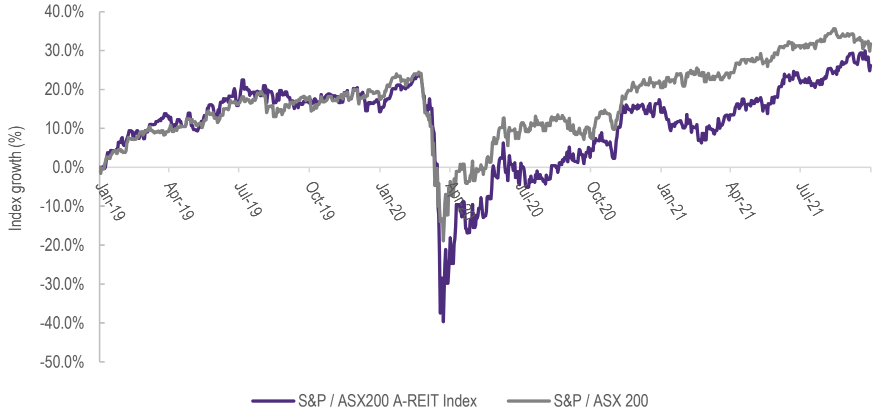
- *Retail:* investment in shopping malls and community shopping centres, including large format retail ("LFR") and neighbourhood centres where HDN operates.
- *Industrial:* investment in industrial warehouses and distribution properties.
- *Office:* investment in office buildings and office parks.
- *Residential:* investment in residential properties including housing, apartments and student housing.
- *Hotel:* investment in properties that provide accommodation on a room and/or suite.
- *Diversified:* investment across a range of property sectors.

[15] Australian Bureau of Statistics, 2 September 2021

- *Bulky goods:* investment in retail warehouses which contain white goods and hardware.
- *Social/Specialised:* includes investment in hospitals, medical centres, childcare and early learning, as well as retirement communities, aged care and other seniors living, among others.

The following table illustrates a comparison of the S&P / ASX 200 A-REIT Index ("A-REIT Index") versus the S&P / ASX 200 Index ("ASX 200 Index") since 1 January 2019:

S&P / ASX 200 A-REIT Index compared to S&P / ASX 200 Index



Source: S&P Capital IQ.

As illustrated, trading in the two indexes is highly correlated with the ASX 200 Index only slightly outperforming the A-REIT Index to today's date. These comparable returns are primarily driven by complimentary growth drivers driven by macroeconomic factors such as Australia's inflation rate, GDP growth, monetary policy and employment rate.

Notably, the A-REIT Index was more adversely affected during the COVID-19 pandemic given that capital growth shrank in most sectors as a by-product of COVID-19-related measures put in place by the State and Federal governments which included social distancing, lockdowns and work from home arrangements. Both the office and retail sectors were significantly affected and experienced the deepest contractions due to reduced foot traffic as a result of the government mandated lock-downs and stay-at-home orders throughout the period.

However, since the market correction in March 2020, the A-REIT Index has fully recovered and surpassed its all-time high. This has largely been bolstered by a favourable macro-economic environment with the low interest rate and continuous cap rate compression. The graph below shows total returns over the last two years by key REIT sectors.

REIT Sector total performances

Source: MSCI.

As outlined in the graph above the retail sector was the hardest hit by the pandemic, HDN performed materially better as its portfolio is anchored by national major supermarkets and daily needs businesses with no exposure to department stores or discount department stores and limited exposure to specialty retail and fashion. Further, the rent charged to tenants is competitive on a national scale[16] which has provided cost effective alternatives for tenants looking to reduce occupancy costs. Even during the pandemic, earnings have been resilient and total returns significantly in excess of the overall retail REIT market.

3.2 REIT industry drivers

We have outlined below the key macroeconomic factors which effect the performance and management of REITs in Australia:

- *Inflation rate:* REITs primarily derive their revenue from property rentals. Therefore, higher inflationary expectations tend to improve their rental yields, which then ultimately improve distributions to investors, however high inflation also increases capitalisation rates which, if persistent, may cause cap rate expansion. Headline consumer price inflation is currently high in advanced economies driven by global supply chain disruptions and the strong demand for goods which has continued during the pandemic. However, this increase in inflation, 3.8% in the June quarter in Australia, is considered transitory by the RBA and it is expected to subside once market conditions normalise. The RBA is currently committed to maintain a highly supportive monetary conditions to achieve a return to full

[16] HDN IPO Prospectus.

employment in Australia and keep inflation consistent with the target band of 2% to 3%. The RBA has committed not to increase the cash rate until actual inflation is sustainably within this target range which is currently not expected to occur before 2024.

- *GDP Growth:* GDP is considered a key driver for the industry as it captures many of the property demand and supply dynamics associated with the sector, including consumption, investment and government spending. The Q2 2021 GDP figures released by the Australian Government showed that the economy advanced by 0.7%, a decline compared to the GDP growth rate of 1.9% in Q1 2021, however the growth rate of 0.7% was in excess of expectation of 0.5%. This was driven by strong demand for both the public and private sectors. Household consumption rose by 1.1% compared to 1.3% in Q1 driven by a continuous rebound in demand for goods. Looking forward, the resurgence of the Covid-19 outbreak due to the delta variant and extended period of lockdown in NSW and VIC are expected to cause a material fall in GDP in Q3 followed by a strong rebound in Q4 as restrictions ease and Eastern state economies begin to open up.

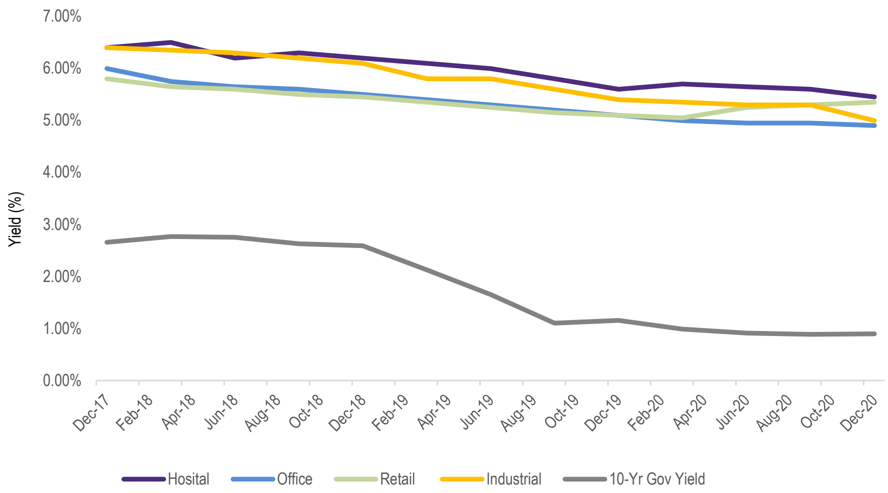
- *Population Growth*: Population growth is a major underlying driver of consumer spending and therefore supports demand for convenience retail. The latest population estimate for Australia is c. 25.86 million with a population growth of c. 0.8% since the start of the calendar year 2021. Furthermore, the impact of the pandemic has caused uncertainty around the easing of international borders which has reduced the overseas migration rate along with a temporary fall in fertility. Based on these trends, the population is estimated to be around 4% smaller (1.1 million fewer people) by 30 June 2031 than it would have been in the absence of COVID-19.

- *Fiscal and other Government Policy*: Economic stimulus measures implemented by the Australian Government, including expenditure of over A$135 billion in FY20-21 directly related to COVID-19, have helped support economic growth, property prices and rental yields. Additionally, the significant progress on vaccines and the Government's national vaccine roll-out strategy to immunise the population by October 2021 have led to renewed consumer and business sentiment.

- *Monetary Policy and Interest rates:* All time low interest rates are expected to continue in the short term which is expected to continue to support economic recovery and boost property demand. As of the September 2021 meeting conducted by the RBA, the cash rate was maintained at 10 basis points. In light of the delayed economic recovery and increased uncertainty, the RBA has also decided to extend bond purchases at the rate of A$4 billion a week until at least February 2022 and the RBA has indicated that it does not intend to raise the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range. Around the world, whilst most central banks are maintaining accommodating financial policies, some of them have commenced a reduction in their highly stimulatory policy settings or signalled they would soon start doing so. For example, the Reserve Bank of New Zealand (RBNZ) lifted its benchmark rate to 0.5% from a record-low 0.25% in October 2021 and has signalled more increases over the next year, as it seeks to tame inflation caused by higher oil prices, rising transport costs and supply-chain disruptions.

- *Compressing real property yields*: The yield on real properties has closely followed the 10-year bond and cash rate, which is directly proportional to increased property values in Australia. The graph below illustrates the correlation between the declining yield on 10-year Australian Government Bonds and cap rate compression, which significantly effects the property values of the underlying REIT holdings.

Correlation between Real Property Yields and 10 year Australian Government Bond



Source: Reserve Bank of Australia, MSCI, GTCF analysis.

3.3 HDN and HCW specific industry drivers

As the Responsible Entity, manager, and shareholder of both HDN and HCW, HMC's business operations are exposed to the retail, social and health industries. We note there is an investment overlap between the REITs, with HDN targeting neighbourhood retail, large format retail and health and services whilst HCW focuses on hospitals, aged care, childcare, government and life sciences. As such, we note the above key sub-sectors and their associated drivers for the Retail, Social and Health industries:

- *Neighbourhood Retail*: Neighbourhood retail is primarily categorised by standalone business complexes and centres that aim to cater for a convenience based and non-discretionary tenant mix constituted by supermarkets, pharmacies, general health services, liquor stores and gyms. We note that despite the COVID-19 pandemic and the associated lockdowns and stay at home orders, neighbourhood centres have performed materially better than the overall retail market due to the resilient, inelastic and non-discretionary nature of the retail offering. They are also less affected by the secular trend of shifting to online purchases given their tenants base. Further, neighbourhood retail rent levels are substantially lower than regional, sub-regional and CBD sub-sectors, offering a cost effective alternative to tenants.

- *Large Format Retail*: LFR differs to neighbourhood retail as they generally supplement supermarkets with traditional homemaker offerings such as furniture and electrical goods. LFR constituted c. A$26.4%, or an estimated c. A$95.6 billion, of all retail sales in Australia up to 30 June 2021 and c. 35% of all retail floor space in Australia. Typically, LFR businesses tend to locate together in semi-regional precincts either within existing homemaker centres or in out-of-centre developments, further encouraging destination shopping by customers. This sub-sector performed relatively better during the outbreak of COVID-19 as lockdown measures were usually more relaxed regionally and homewares and electrical spending accelerated during the pandemic.

- *Private Hospitals*: As at 30 June 2021, Australia's private hospital sector generated c. A$16.8[17] billion in revenue. Generally speaking, hospital demand is very inelastic across both the public and private sector, primarily due to an ageing population (i.e. Australians 65+ are set to grow by 1.3 million to 5.6 million by 2030) and the universal need for accessible healthcare. Australia's hospital industry is anticipated to grow steadily at an annualised rate of c. 3.5% over the next five years through to 2026, growth which is largely underpinned by the aforementioned drivers as well as future medical and technological advancements. Furthermore and specific to the private sector, the COVID-19 pandemic has caused a considerable backlog in elective surgery that is likely to increase the sub-sector's demand in the near future as lockdown's cease.

- *Aged care*: Valued at c. A$23.9 billion as at 31 December 2020, Australia's residential aged care industry is highly fragmented with relatively low market concentration from key players. Recently, this sector has received an A$17.7 billion support package to reform aged care. From a growth perspective, the industry's revenue is expected to rise on an annualised basis of 3.2% over the next five years through to 2026[18]. Notably, despite there being an ageing population and an increase in average life expectancies driving expansion, a combination of occupancy pressures, weak public sentiment and decreasing investor interest in light of uncertain economic conditions are set to impede on the industry's growth in the short run.

- *Childcare*: Throughout Australia there are almost 1.3 million children attending government-approved childcare services, of which over 64.3% are below the age of 6 years old. Growth in the sector has been supported by an increasing number of parents requesting childcare services, as female labour force participation increases. Moreover, from 1 July 2022 onwards, families will receive more support from the Australian Government through proposed changes to the existing Child Care Subsidy ("CCS"). These changes include increasing CCS payments for families with more than one child in care under the age of 6 as well as removing the existing annual cap. Holistically, these measures are estimated to lower out-of-pocket costs for more than 250,000 families in FY22 and will amount to an additional A$1.7 billion of Australian Government investment.

- *Primary Care and Wellness*: An investment of A$2.3 billion by the Australian Government towards national mental health and suicide prevention is likely to drive growth within this sub-sector in the near future. Over the last 20 years, household consumption on health and wellness has increased by over 50%. Furthermore, evolving consumer preferences and changing economic environments is showing a greater consumer preference for the wellness industry. The Global wellness industry was worth c. A$6.1 trillion in 2018 and includes businesses and destinations focused on wellness tourism, fitness, mind and body health, spas and mineral springs, nutrition, personal care and beauty.

3.4 Other alternative assets classes and private equity

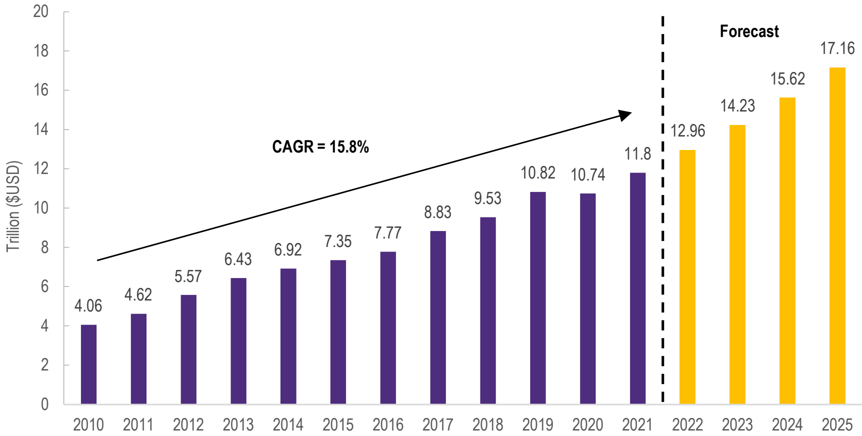
Whilst HMC is currently focussed on managing REITs, the investment strategy and vision of the Company is to become a leading alternative asset manager also focussing on private equity, infrastructure and credit.

Traditional asset classes include stocks, bonds and currencies whereas alternative investments refers to direct infrastructure, real estate, hedge fund, private equity, real assets and others ("Alternatives"). Alternatives are well appreciated by institutional investors as they perform well in volatile market conditions, as we are currently experiencing, and assist to smooth portfolios' returns. Given the volatility

[17] IBIS World – Private General Hospitals in Australia.
[18] IBIS World – Aged Care Residential Services in Australia.

experienced by economies and markets around the world, there has been a marked increase in the level of alternative assets under management in recent years as set out in the graph below.

Global growth alternative within the asset and wealth management industry



Source: Preqin: Future of Alternatives 2025 – Alternative Assets Under Management.

The Company has indicated that a Private Equity focussed fund represents the next potential platform to accelerate HMC's growth. Private Equity comprises investments in the private market and are typically based on the concepts of limited partners[19] and general partners[20]. The funds are typically sourced from High-Net-Worth ("HNW") individual or family offices or Institutional investors such as large pension and superannuation funds.

Private Equity returns for large global alternative asset managers have continued to outperform the traditional equities market. For instance, KKR[21]'s total returns since July 2018 were 117%[22] which is significantly higher than S&P 500's return of c. 50% over the same period.

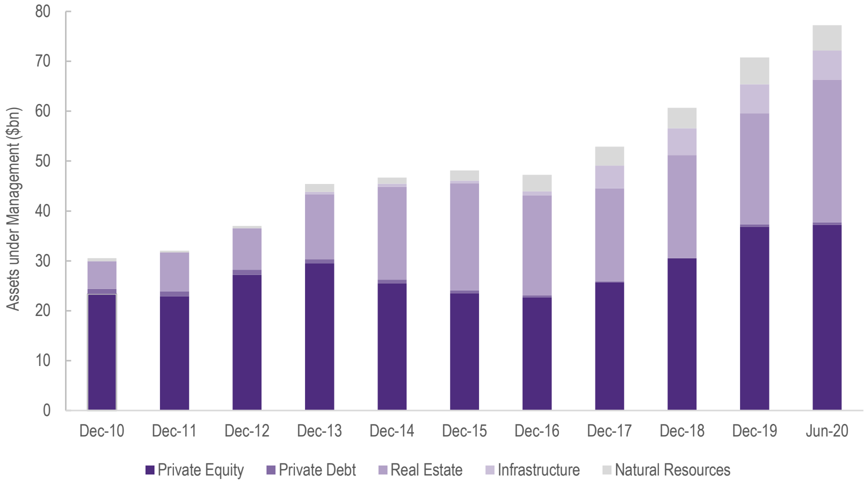
Private market investments are typically characterised by longer holding periods relative to traditional assets. They also involve improvements to the existing business operations in order to realise an increase in the overall value.

As set out in the graph below, the Australian private capital market reached A$77 billion in total industry AUM in June 2020 which increased by c. 148% since 2010 and 8.4% since December 2019 with growth driven by both domestic and international investors. Notwithstanding the outbreak of COVID-19, Australia private capital fund managers raised A$8.3 billion in 2020 – an increase of more than 20% from the previous year driven by an attractive risk-return proposition and a stable, well-structured corporate and public environment.

---

[19] Limited Partners are primarily those that contribute to the funds and their liability is limited to the funds they have contributed.
[20] General Partners are those that actively manage the fund for which they are compensated in the form of management fees, performance fees and carried interest.
[21] One of the largest private equity firm in the world.
[22] KKR Investor Day Presentation April 2018.

Australian private capital assets under management by asset class



Source: Australian Investment Council: Australian Private Capital Market Overview.

As set out in the graph above, private equity and real estate are by far the key contributors to AUM in the Alternatives sector and accordingly they continue to represent potential current (real estate) and future (private equity) growth opportunities for HMC.

4 Profile of HMC

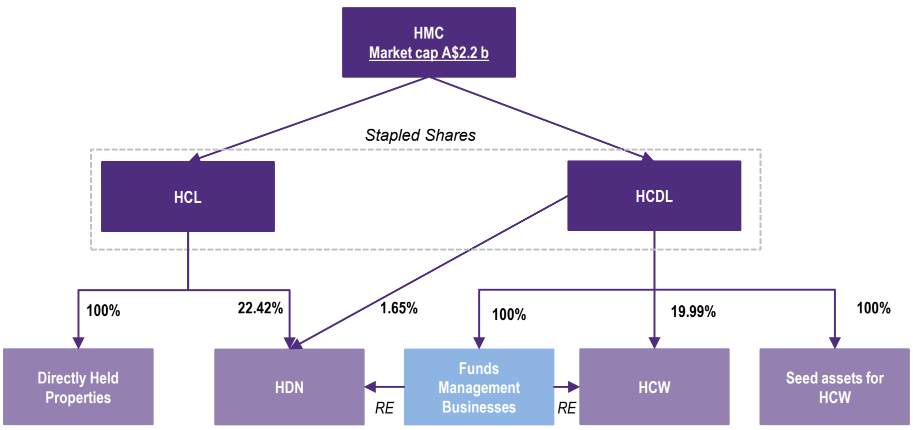
4.1 Company Overview

HMC is an owner, developer and manager of hyper-convenience focused retail and services assets in regional and outer-metro areas throughout Australia. HMC was established in 2016 when a consortium of investors acquired the formerly known Masters Home Improvement real estate portfolio from Woolworths. On 11 October 2019, HCL and HCDL were admitted to the official list of the ASX as a stapled security trading under the banner of HMC. The underlying assets/value of HMC can be broken down in the following three main categories:

- External AUM across the two ASX listed REITs (HDN and HCW) of A$2.5 billion (pro-forma as at October 2021[23]) plus c. A$163.1 million of managed direct properties (excluding the transaction with Aventus Group announced on 18 October 2021).
- Direct property investments totalling A$163.1 million of which A$148.5 million in LFR and A$14.6 million in healthcare assets to be seeded into HCW.
- A$430 million of co-investments across its 24.1[24]% and 20% interests in HDN and HCW respectively.

The following diagram illustrates HMC's corporate structure prior to the implementation of the Proposed Restructure:

HMC simplified and illustrative only corporate structure



Source: HMC Management.
Note: RE refers to responsible entity in the above graph.

As illustrated above, through its wholly owned subsidiaries, HMC is the manager and Responsible Entity ("RE") of both ASX listed REITs, HomeCo Daily Needs REIT and HealthCo Healthcare & Wellness REIT, with the former listing in November 2020 and the latter in September 2021.

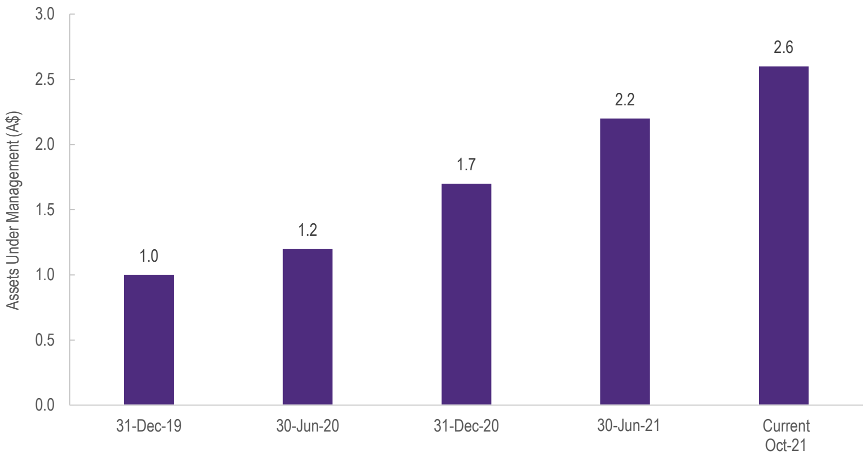
[23] Total AUM calculated as HDN Property assets valued at A$1.79 billion + HCW Property assets valued A$668 = c. A$2.5 billion.
[24] Excluding holdings held by entities associated with HMC but omitted from the consolidated group.

4.2 AUM business

4.2.1 Overview

The funds management business manages a portfolio of 7 directly held properties, 32 HDN properties and 40 HCW properties, of which are primarily located on the Eastern seaboard of Australia and mainly comprise of neighbourhood and LFR centres and health/wellness assets. As set out in the graph below, the business has experienced substantial growth in AUM since the IPO.

HMC year-on-year growth in AUM[25]



Sources: HMC annual reports; Management.

The main contributors to the growth in the AUM have been the following:

- In November 2020, HMC established HDN via a distribution in specie of ordinary units in HDN to HMC Shareholders and at the same time HDN completed a capital raising of A$300 million. HMC became the external manager of HDN and it retained a c. 24.1%[26] interest. Since listing, HMC has actively grown the gross assets value ("GAV") of HDN via the following transactions:
  - HDN completed the acquisition of 7 LFR assets from HMC for A$266.4 million, the Armstrong Creek Town Centre for A$55.6 million and a capital raising of A$265 million in April 2021.
  - HDN acquired a 100% interest in Town Centre Victoria Point, QLD for a total purchase price of A$160 million in July 2021 and shortly after it completed a fully underwritten placement for A$70 million.
  - It acquired a 100% interest in 4 daily needs assets and 2 pad sites for a total purchase price of A$222 million in September 2021 which completed shortly after a placement raising A$88.3 million.

[25] Excluding the transaction with Aventus Group announced on 18 October 2021.
[26] Excluding holdings held by entities associated with HMC but omitted from the consolidated group.

- In September 2021, the HealthCo HealthCare & Wellness REIT listed on the ASX raising A$650 million for the acquisition of 27 assets with a fair value of A$555 million. 23 assets were seeded by HMC in consideration for A$495 million with HCW directly undertaking the remaining contracted acquisitions for A$59 million. HMC is the Responsible Entity and manager of HCW and it retains a 20% interest.

- On 14 October 2021, the HealthCo Healthcare and Wellness REIT announced to the market the acquisition of c. A$200 million new healthcare investments, increasing the underlying portfolio value by c. 20%. Further, HCW also updated its FY22 FFO guidance from A$0.043 cents per unit to A$0.050 cents per unit, an approximate increase of c. 16%.

- On 18 October 2021, HDN and HMC announced their intention to acquire and merge with Aventus Group ("AVN") via a scheme of arrangement. Under the initial terms of the merger, AVN shareholders must elect to receive cash or HMC securities as consideration (but not a combination of both) consisting of;

    - 2.200 HDN units for every 1 unit in Aventus Retail Property Fund ("ARPF"); and

    - A$0.285 cash or 0.038 HMC shares for every 1 share in Aventus Holdings Limited ("AHL").

  We note that both the AVN and HDN Boards unanimously support the merger that it is subject to a number of conditions precedent. The merger is not expected to be completed until February 2022. If the merger completes, HMC will become the manager of the combined entity and the AUM will increase to c. A$5 billion, all other things being equal.

The growth in the AUM is consistent with HMC's strategy since the IPO to actively recycle capital from its direct property investments into co-investments in managed stand-alone vehicles to move into a capital light income stream. HMC aims to become a broader alternative assets manager and it plans to boost its AUM to A$5 billion by the end of 2022 by leveraging off the following growth and capital recycle opportunities:

- HMC's strategy is to hold 10-15% of long term co-investments in its ASX-listed REITs. Based on the current interests of 24.1%[27] in HDN and 20% in HCW, there are opportunities to recycle capital and grow AUM.

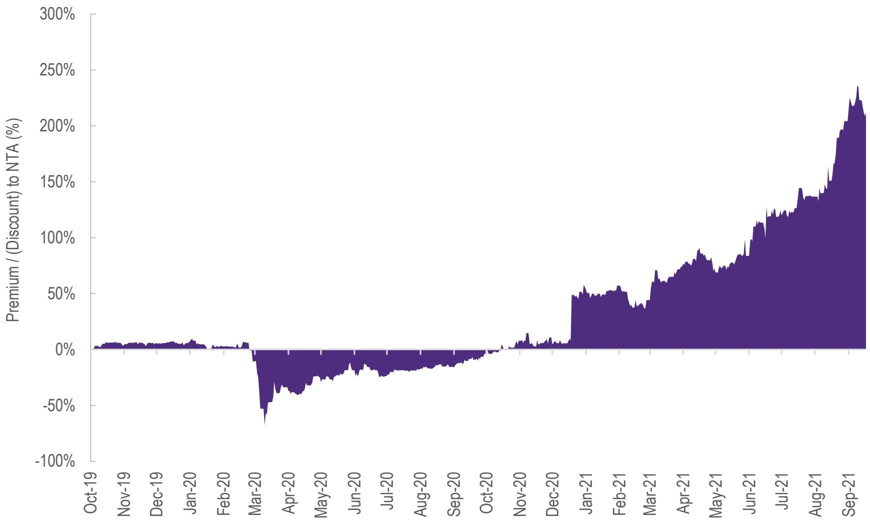
- HMC has c. A$950 million of potential capital sources[28] providing significant capacity to scale their funds management platform as well diversify into alternative asset classes.

- HMC is exploring the potential to expand into other Alternatives asset classes such as a private equity focussed fund. As discussed in the industry overview, investors' appetite for private equity funds and Alternatives asset classes has continued to increase over the last few years and HMC is well positioned to capitalise on this growth opportunity.

[27] Excluding holdings held by entities associated with HMC but omitted from the consolidated group.
[28] A$148 million net cash post HCW IPO plus A$168 million assets on the balance sheet plus A$260 million excess co-investments in HDN and HCW (assumed at 10% long term) plus A$375 million of undrawn debt facility.

The evolution of HMC from a property owner at the time of the IPO to a fund manager is well illustrated by analysis of the premium of the share price over the net tangible assets ("NTA") which has increased from c. 7% premium at IPO to c. 200% premium as at today as set out in the graph below.

HMC rolling premium / (discount) to NTA since inception



Sources: HMC annual reports and GT analysis.

4.2.2 Fees structure

Wholly owned subsidiaries of HCDL provide Responsible Entity, property management and investment management services under their respective agreements to HDN and HCW. The following illustrates a breakdown of the fees payable:

- Investment Management Agreement:
  - *Management Fees*: the Investment Manager is entitled to 0.65% p.a. of the GAV (before GST) up to and including A$1.5 billion and 0.55% p.a. for the portion of GAV in excess of A$1.5 billion.
  - *Acquisition and Disposal Fees:* 1.0% of the acquisition price of any assets and 0.5% of the disposal price of any sale.

  If terminated as investment manager, HMC will receive a termination fee equal to 2 years of management fees.

- Property and Development Management Agreement.
  - *Property Management Costs*: 3.0% of gross income for each property for each month.

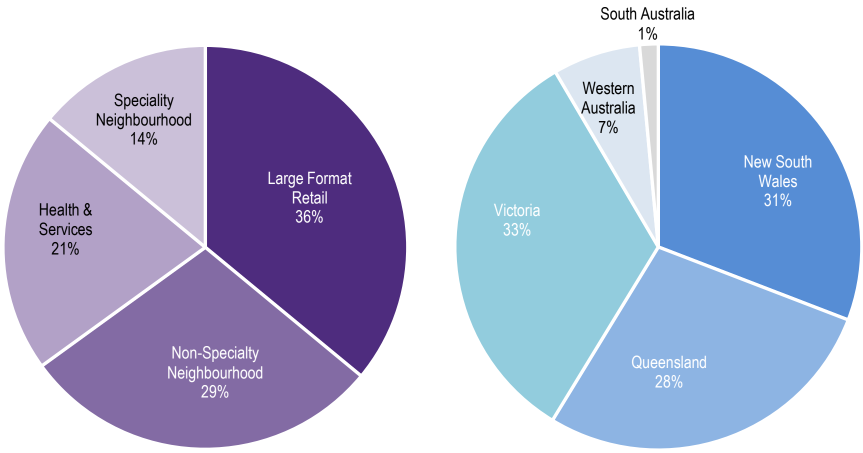
- *Development Management Fees*: 5.0% of the project costs up to A$2.5 million and 3.0% of all costs thereafter. These include capital expenditures costs as well as all other costs relating to the developments.
- *New Tenant Leasing Fees*: 15.0% of 1 year rent for new tenants.
- *Leasing Renewal Fees*: 7.5% of 1 year rent for renewal of existing tenants.

If terminated as property and development manager, HMC will receive a termination fee equal to 2 years of management fees.

4.2.3 HomeCo Daily Needs REIT

HDN owns a diversified portfolio of 32 convenience assets in the retail and services sector with a fair value of A$1.79 billion as at October 2021[29]. The following graphs illustrate a breakdown of HDN's portfolio by both sector composition and geography:

HDN Breakdown by Sector Composition (by income) and Geography (by value)



Source: HDN FY21 Results Presentation.

In addition to the above, the following table illustrates other relevant KPIs:

[29] Excluding the merger with AVN.

Overview of HDN Portfolio Metrics	Units	HomeCo REIT KPIs
Total number of properties	*No.*	32
Gross Asset Value	*A$ million*	1,786
WACR	*%*	5.63%
Gross lettable area	*sqm*	409,161
WALE	*Years*	7.5
Occupancy	*%*	99.30%

Source: HDN FY21 Results Presentation.

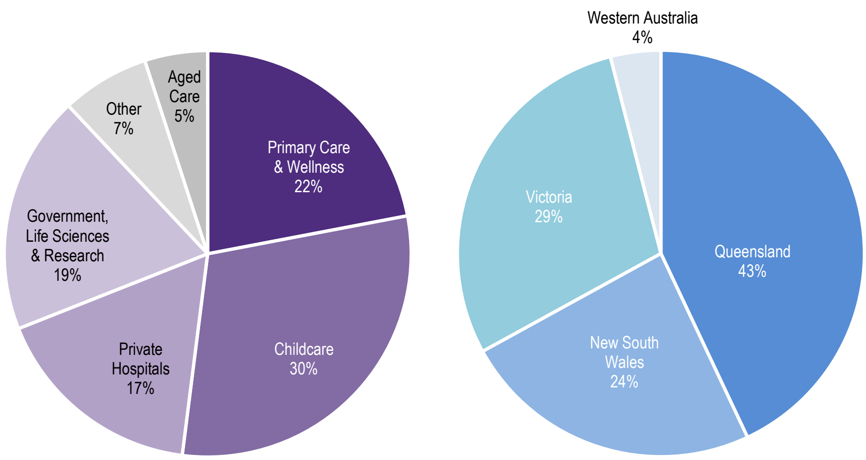
Notwithstanding the challenges of COVID-19, the property portfolio performed particularly well since the IPO, exceeding expectations in terms of cash collections and occupancy. Like for like foot traffic was also 15% higher to June 2021 which is a testament to the resilient and convenient nature of the sub-sector. Since the IPO, the fair value of the investment properties has increased from A$854.4 million to A$1.56 billion through a combination of acquisitions, development and revaluations with the weighted average capitalisation rate ("WACR") compressing from 5.95% in December 2020 to 5.63% in June 2021.

HDN has significant development opportunities within the portfolio with a site coverage of only 31.4%. The development pipeline is c. A$130 million comprising of A$27.5 million brownfield developments across 6 sites which are 100% pre-leased and c. A$100 million of development opportunities across 7 additional sites which are expected to add c. 20,000 sqm of Gross Lettable Area ("GLA").

4.2.4 HealthCo Healthcare & Wellness REIT

HCW is an externally managed REIT that operates a diversified portfolio of 40 assets with a fair value of A$668 million focused on property assets in the healthcare sector. The following graphs illustrate a breakdown of HCW's portfolio by both sector composition and geography:

HCW Breakdown by Sector Composition (by income) and Geography (by value)



Source: HCW Product Disclosure Statement.

27

Grant Thornton
An instinct for growth™

In addition to the above, the following table illustrates other relevant KPIs:

Overview of HCW Portfolio Metrics	Units	HealthCo REIT KPIs
Total number of properties	*No.*	40
Gross Asset Value	*A$ million*	668
WACR	*%*	5.29%
Size	*sqm*	378,652
WALE	*Years*	10.7
Occupancy	*%*	97.10%

Source: HCW Product Disclosure Statement.

HCW is expected to continue to benefits from certain mega-trends including the following:

- In 2017–18, Australia spent A$185 billion on health, or about A$7,500 per person—a considerable increase from A$4,800 per person in 2000–01. About two-thirds of health spending is funded by government with c. 75% of the money going to hospitals and primary health cares. Health spending in Australia has generally grown faster than the rest of the economy since 2000–01. The ratio of health spending to GDP increased from 8.3% in 2000–01 to 10% in 2017–18. This is expected to continue going forward.

- Healthcare and wellness demand is expected to continue to rise due to Australia's growing and ageing population. Over the last 20 years, the proportion of Australia's population aged 65 and older has increased from 12.3% to 15.9%, a result of increasing baby boomers cohorts reaching 65 years old[30]. Likewise, the last two decades have seen the number of individuals within Australia aged 85 year and over increase by c. 117.1%, contrasted by a total population growth of 34.8% over the same timeframe[31], a phenomena largely driven by increasing life expectancies as a result of technological and medical advancements alike. This increase in the pool of high risk patients generates heightened demand for healthcare services.

- Technological advancements in fields such as robotics and medicine are forecasted to reduce mortality rates and increase demand for healthcare services.

From a development opportunities perspective, HCW is currently working on 4 live developments at Camden, Proxima Southport, Springfield and St Marys. More generally, HCW will seek to expand its GLA with the construction of new standalone properties on land adjoining existing building given that a number of properties have excess land area and via fund-through developments[32].

4.3 Direct properties and co-investments

As at October 2021, HMC's investment portfolio GAV totalled c. A$602.3 million comprising direct property holdings, ownership in HomeCo Daily Needs REIT and HealthCo Healthcare & Wellness REIT. An overview of HDN and HCW is already provided in the AUM section above. The following table shows a breakdown of these holdings as well as other relevant key performance indicators ("KPIs"):

[30] Australian Bureau of Statistic – Australian demographic statistics, June 2019. Twenty years of population change.
[31] Ibid.
[32] Based on the developer selling the property prior to the commencement of the development with the acquirer funding development costs during the construction period.

Grant Thornton
An instinct for growth™

HMC Direct Property Investments	Fair Value	Cap Rate	WALE	Occupancy
	A$	%	Yrs	%
Direct Property Holdings[1]	163.1	6.76%	9.0	98.8%
Co-Investment in HDN (based on share price of A$1.57)[2]	298.8	5.63%	7.5	99.3%
Co-Investment in HCW (based on share price of A$2.16)[3]	140.4	5.29%	10.7	97.1%
Overview of HMC's investment portfolio	**602.3**	**5.86%**	**8.7**	**98.7%**

Source: HMC, HCW and HDN Presentations.
Note (1): Direct property holdings are based off of 30 June 2021 valuations.
Note (2): Share price based off of closing price as at 12 October 2021.
Note (3): Share price based off of closing price as at 12 October 2021.

Below we provide a snapshot of HMC's direct property holdings:

HMC Direct Property Investments	State	Classification	Independent / Internal Valuation	Fair Value A$	Cap Rate %	WALE Yrs	Occupancy %
North Lakes	QLD	Operating	Internal	40.3	6.00%	6.8	99.2%
Gregory Hills Home Centre	NSW	Operating	Internal	32.0	6.25%	6.3	100.0%
Knoxfield	VIC	Operating	Internal	31.2	7.00%	10.4	97.6%
Roxburgh Park	VIC	Development	Internal	23.2	7.50%	7.3	n/a
Wagga Wagga	NSW	Development	Internal	18.3	8.00%	7.0	n/a
Richlands (excess land)	QLD	Development	Indpendent	3.5	n/a	n/a	n/a
Total Investment Properties				**148.5**	**6.76%**	**7.7**	**98.8%**
Seed Assets for HealthCo							
Camden	NSW	Development	Internal	14.6	n/a	16.3	n/a
Total Seed Assets for HealthCo				**14.6**	**n/a**	**16.3**	**n/a**
Total HMC Direct Property Investments				**163.1**	**6.76%**	**9.0**	**98.8%**

Source: HMC FY21 Results Presentation.

At the end of 30 June 2021, the fair value of properties grew by A$42.3 million from the December 2020 valuation, including the A$32 million purchase of Gregory Hills Home Centre and a reduction of the WACR by 23 basis. We have set out below a brief description of the 2 largest properties within the direct properties investment portfolio:

- *North Lakes*: Completed in 2012, North Lakes is a single level LFR centre located in Brisbane's Moreton Bay Region, directly in the heart of the North Lakes shopping precinct. During 2017 improvements were reconfigured into 12 separate tenancies, 7 of which are LFR and the remaining 5 being speciality tenants, which together provides a total GLA of c. 11,400 square metres. The complex is situated in an established area with strong population growth prospects and continuing gentrification within the foreseeable future.

- *Gregory Hills Home Centre*: Developed in 2015, the Gregory Hills Home Centre is a LFR centre situated in Western Sydney that is anchored by primary tenants such as Services NSW and Total Tools (Metcash). HMC purchased the property in March 2021 for a total consideration of A$32 million, representing a c. 6.25% cap rate. The property has material unused land for future development with only c. 31% of the land occupied. The tenant mix is 69% weighted toward leisure and lifestyle, 14% toward health and wellness and 17% other services.

From a geographic perspective, HMC's direct property are spread around the Eastern Seaboard of Australia with 50% located in NSW and the balance broadly evenly between VIC and QLD.

GrantThornton
An instinct for growth™

4.4 Financial information

4.4.1 Financial performance

The table below shows the Company's audited consolidated statements of financial performance for the periods ending 30 June 2019, 30 June 2020 and 30 June 2021:

Consolidated statements of financial performance A$m	FY19 Audited	FY20 Audited	FY21 Audited
Property rental income	46.9	52.9	47.1
Other property income	2.3	9.4	11.5
Management fee income	-	-	10.9
Property Income	**49.2**	**62.3**	**69.4**
Share of profits of associates accounted for using the equity method	-	-	8.94
Other income	-	-	0.41
Change in assets / liabilities at fair value through profit or loss	5.2	14.6	(22.0)
Total Income	**54.4**	**76.9**	**56.8**
Property expenses	(30.5)	(27.7)	(24.0)
Corporate expenses	(7.9)	(8.1)	(11.0)
Loss on demerger	-	-	(15.4)
Acquisition, transaction and legal settlement costs	-	(5.8)	(1.9)
Finance costs	(4.8)	(7.4)	(3.0)
EBIT	**11.2**	**28.0**	**1.4**
Net interest	(41.1)	(16.1)	(7.8)
EBT	**(29.9)**	**11.9**	**(6.4)**
Income tax benefit / (expense)	7.3	(5.9)	(89.4)
Profit / (loss) from continuing operations	**(22.6)**	**6.0**	**(95.8)**
Profit / (loss) from discontinued operations	-	(8.8)	9.9
Total comprehensive income for the year	**(22.6)**	**(2.8)**	**(85.9)**
Key operational metrics:			
FFO per unit (cents) [1]	*(0.44)*	*0.05*	*0.12*
Property income growth	*n/a*	*26.5%*	*11.5%*
EBIT growth	*n/a*	*149.7%*	*(94.8)%*
EBIT margin	*22.8%*	*44.9%*	*2.1%*
Interest coverage ratio [2]	*0.3*	*1.7*	*0.2*

Sources: HMC annual reports; Management.
Note (1): FFO refers to Fund from Operations. The FFO calculation is discussed in more detail further below.
Note (2): Interest Coverage Ratio is calculated as EBIT / Total Interest Expenses.

In relation to the above, we note the following:

- Property rental income is recognised on a straight-line basis over the lease terms with a fixed rate of guaranteed minimum rent review clauses (net of incentives). The decline in property rental income from FY20 to FY21 was driven by the divestment of LFR retail assets to HDN with the downward trend expected to continue in FY22 as HMC's exposure to direct property holdings shrinks as consistent with the business strategy.

- Other property income refers to direct and indirect outgoing recoveries based on the actual costs incurred in accordance with the terms of the related leases.

GrantThornton
An instinct for growth™

- Management fee income received from HDN in FY21 is broken down as follows:

Management Fee Income A$m	FY21 Audited
Base management fees	4.4
Acquisition and disposal fees	1.6
Total investment management revenue	**6.0**
Property management fees	2.1
Leasing fees	0.9
Development management fees	1.8
Total Property management revenue	**4.8**
Total Funds from Operations	**10.9**

Sources: HMC annual reports; Management.
Note: Figures may not add up correctly due to rounding.

With regards to the above we note:

- As shown, c. 85% of revenue for the year was derived from non-acquisition / disposal fees, which are illustrative of the stability of income streams should active portfolio management slowdown in the future.
- FY21 acquisition fees are post IPO, thereby excluding the transfer of assets from HMC to HDN.
- Property management fees represents the costs associated with HMC management of the individual HDN properties, previously of which were allocated within direct property expenses.
- The management fee income only represents a portion of the year's earnings given that HDN only listed in November 2020.
- It is expected that management fees will rise significantly in FY22 given that HCW has recently listed.

- Loss on the demerger in FY21 of A$(15.4) million is calculated as the difference between the value of assets transferred to HDN and the tax cost base at listing. Effectively, this loss is HMC's share of funding the IPO costs of HDN.
- Finance costs are representative of the amortisation of HMC's borrowing costs.
- HMC's net interest expense has declined materially over the last three years and is illustrative of the business' transition towards a more capital light funds manager with a considerably lower debt balance.
- HMC's income tax expense increased by c. A$83.5 million between FY20 and FY21, primarily a function of a large adjustment in deferred taxes. These adjustments were driven by a c. A$77.2 million de-recognition of deferred tax assets as well as a c. A$9.4 million utilisation of tax losses.
- FFO represents the group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit after tax for other statutory items which are non-cash, unrealised and capital in nature. The following table shows a breakdown of this reconciliation:

Reconciliation of FFO A$m	FY19 Audited	FY20 Audited	FY21 Audited
Profit / (loss) from continuing operations	**(22.6)**	**6.0**	**(85.9)**
Income tax benefit / (expense)	(7.3)	5.9	87.7
Straight lining and amortisation	(0.6)	0.7	3.5
Acquisition and transaction costs	-	5.8	7.5
Amortisation of borrowing costs	4.8	7.4	3.0
Fair value movements	(5.2)	(14.6)	22.0
Leasehold rent adjustment	(28.8)	(1.1)	-
Share of associated profit of FFO	-	-	(2.8)
Interest and finance charges on lease liabilities	18.7	-	-
Other adjustments	-	-	0.9
Total Funds from Operations	**(41.0)**	**10.1**	**35.8**
No. of units on issue at end of period (millions) [1]	*93.3*	*197.9*	*290.1*
FFO per units (cents)[2]	**(0.439)**	**0.051**	**0.123**

Sources: HMC annual reports; Management.
Note (1): The number of units on issue as at 30 June 2019 assumes the share consolidation of 13.797 units into 1 unit had occurred already.
Note (2): FFO per unit may differ to figures reported in annual reports due to GT using the total no. of units on issue at end of period opposed to weighted average securities on issue.

4.4.2 Financial position

The consolidated statements of financial position of HMC as at 30 June 2019, 30 June 2020 and 30 June 2021 are outlined in the table below:

Grant Thornton
An instinct for growth™

Consolidated statements of financial position A$m	30-Jun-19 Audited	30-Jun-20 Audited	30-Jun-21 Audited
Assets			
Cash and cash equivalents	36.3	29.6	11.7
Trade and other receivables	23.6	3.7	6.1
Other assets	-	4.8	13.6
Assets classified as held for sale	11.6	-	478.6
Total current assets	**71.6**	**38.0**	**510.0**
Receivables	-		
Investment property - freehold	771.0	1,013.8	188.1
Investment property - leasehold	129.9	84.3	-
Right-of-use-assets	-	0.5	0.3
Investments accounted for using the equity method	-	-	263.9
Convertible notes	-	-	0.5
Deferred tax assets	135.6	141.2	19.6
Total non-current assets	**1036.5**	**1,239.6**	**472.4**
Total assets	**1108.1**	**1,277.7**	**982.4**
Liabilities			
Trade and other payables	28.1	38.0	13.4
Borrowings	332.9	-	-
Employee benefit obligations	0.6	0.5	1.1
Lease Liabilities	14.2	9.6	0.2
Income tax	-	-	1.7
Total current liabilities	**375.8**	**48.1**	**16.4**
Borrowings	78.4	361.4	253.1
Derivative financial instruments	-	3.1	1.8
Provisions	3.4	2.0	-
Lease Liabilities	226.5	133.5	0.1
Total non-current liabilities	**308.4**	**500.0**	**255.0**
Total liabilities	**684.1**	**548.1**	**271.4**
Net assets	**424.0**	**729.5**	**711.0**
Key performance indicators			
Units on issue at end of period (millions) [1]	*93.3*	*197.9*	*290.1*
Net tangible assets per share ($)	*4.54*	*3.69*	*2.45*
Gearing [2]	*48.7%*	*35.6%*	*25.6%*
Hedged debt [3]	*-*	*47.8%*	*68.7%*

Sources: HMC annual reports; Management.
Note (1): The number of units on issue as at 30 June 2019 assumes the share consolidation of 13.797 units into 1 unit had occurred already.
Note (2): Gearing was calculated as followed: [borrowings (excluding unamortised establishment costs) – cash and cash equivalents] / [(total assets – cash and cash equivalents – loans to related parties – investment properties (leasehold) – deferred tax assets].
Note (3): HMC enters into interest rate swaps and hedges their drawn down debt.

In relation to the above we note the following:

- HMC's assets classified as held for sale worth c. A$487.5 million are broken down as per the following two transactions:
  - LFR Portfolio held for sale to HDN with a total purchase price of c. A$266.4 million.

- 10 assets held for sale and to be seeded into the recently listed HCW valued at c. A$221.1 million. The following table illustrates a breakdown of these seeded HCW assets:

HCW seeded assets held for sale A$ million	30-Jun-21
Cairns	35.9
Rouse Hill	56.0
Springfield	13.7
St Marys	20.0
Erina	35.0
Tarneit	7.5
Essendon	9.6
Everton Park	20.3
Woolloongabba	13.0
Five Dock	10.2
Total Seeded assets held for sale	**221.2**

Sources: HMC annual reports; Management.

- FY21 saw a material increase in investments accounted for using the equity method of c. A$263.9 million, a result of HDN listing in November of 2020.

- With regards to HMC's borrowings, FY21 saw a material overall decline of c. A$108.3 million primarily made available due to the substantial cash inflow following the sale of properties to HDN to seed the portfolio. HMC's gearing ratio of c. 25.6%[33] in FY21 fell beneath the group's target range of 30% - 40%. The following table illustrates a breakdown of HMC's capital financing arrangements between FY20 and FY21:

HMC Capital financing arrangements A$m	FY20 Audited	FY21 Audited
Total facility limit	500.0	315.0
Amount drawn down	366.0	254.8
Total Amount not drawn down	**134.0**	**60.2**
Cash Available	2.9	11.7
Net debt on issue	**363.1**	**243.1**

Sources: HMC annual reports.

Following the establishment of HCW, HMC estimates to be in a net cash position of c. A$117.7 million with no drawn down debt as at 30 September 2021.

4.4.3 Cash flow statement

HMC's cash flow statements for the periods ending 30 June 2019, 30 June 2020 and 30 June 2021 are summarised below:

[33] Gearing was calculated as followed: [borrowings (excluding unamortised establishment costs) – cash and cash equivalents] / [(total assets – cash and cash equivalents – loans to related parties – investment properties (leasehold) – deferred tax assets].

GrantThornton
An instinct for growth™

Consolidated statements of cash flow A$m	FY19 Audited	FY20 Audited	FY21 Audited
Cash flows from operating activities			
Receipts from vendors and tenants	35.9	58.3	69.6
Payments to suppliers and employees	(42.8)	(53.8)	(46.2)
Interest received	0.5	0.2	-
Other income-lease mitigation account	-	-	11.0
Interest paid	(44.1)	(28.0)	(11.8)
Net cash inflow from operating activities	**(50.5)**	**(23.3)**	**22.7**
Cash flows from investing activities			
Payments for property, plant equipment (leasehold improvements)	-	-	-
Payments for acquistion of investment property - freehold	(103.9)	(215.4)	(317.2)
Payments for acquistion of investment property - leasehold	-	(12.1)	(5.8)
Payments for convertible notes	-	-	(0.5)
Payments for investment in associates	-	-	(87.4)
Proceeds from disposal of investment property	41.8	-	69.0
Proceeds from deposits	0.7	5.3	1.4
Distributions received	-	-	3.1
Proceeds from demerger	-	-	205.0
Cash balance held by subsidiary on disposal of continued operations	-	-	(18.5)
Net cash outflow from investing activities	**(61.4)**	**(222.2)**	**(151.1)**
Cash flow from financing activities			
Proceeds from issue of shares	-	350.0	275.6
Share issue transaction costs	-	(16.0)	(5.2)
Loans to related party	(9.4)	(1.6)	-
Proceeds from borrowings	138.9	366.0	153.5
Repayment of bank loans	-	(415.7)	(264.8)
Borrowing costs paid	-	(7.6)	-
Repayment of lease liabilitie and surrenders	(10.1)	(20.4)	(11.9)
Dividends paid	-	(8.9)	(36.7)
Net cash (outflow) / inflow from financing activities	**119.4**	**245.8**	**110.6**
Net increase / (decrease) in cash and cash equivalents	**7.6**	**0.4**	**(17.9)**
Cash and cash equivalents at the beginning of the financial year	21.6	29.2	29.6
Cash and cash equivalents at year end	**29.2**	**29.6**	**11.7**

Sources: HMC annual reports; Management.

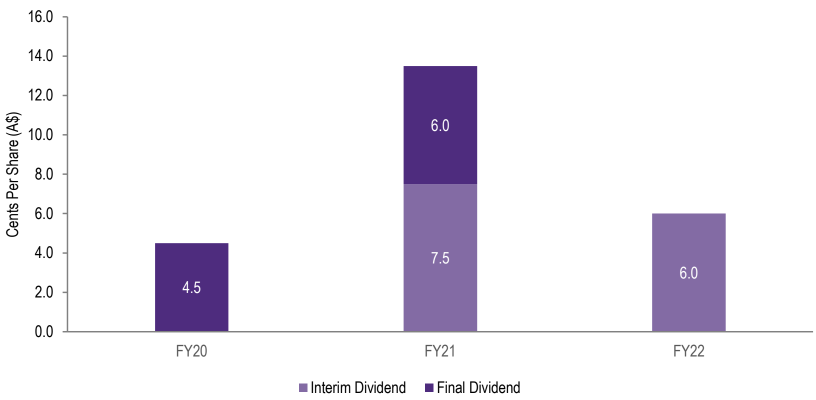
Receipts from vendors and tenants have pretty much doubled since FY19 as a result of the growth in the properties and AUM. We note that this is likely to decrease in FY22 as HMC moves away from direct property management and more towards a funds management business structure.

- HMC's interest paid throughout the year decreased by c. A$16.2, a decline that reflects HMC's evolving capital structure following the debt reduction and increased levels of property sales throughout the period.

- Proceeds from demerger of c. A$205 million are expected to increase substantially in FY22 arising from the c. A$478.6 million in assets classified as held for sale to both HDN and HCW. Furthermore, there are additional seeded assets that are also likely to be divested into HCW.

- We note that in FY21 HMC paid a fully franked dividend of A$0.135 per share. Moving forward HMC's distribution policy is expected to change as the business itself moves towards a capital light funds management model.

HMC Historical Dividend Payout



Sources: HMC annual reports; Management.

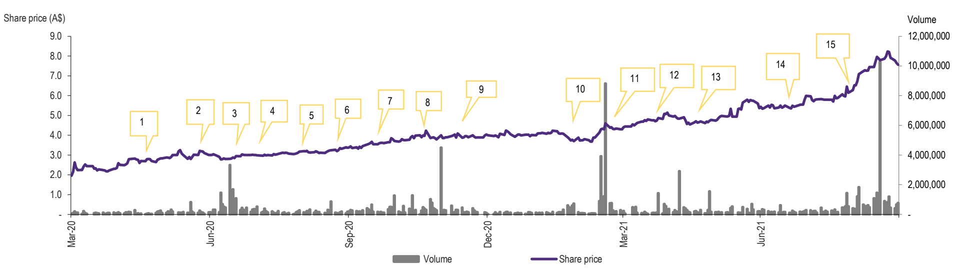
4.5 Share Capital structure

As at the date of this report, HMC has 290,121,283[34] ordinary shares on issue.

4.5.1 Share price and market analysis

Our analysis of the daily movements in HMC's share price and volume for the period from 30 March 2020 to 29 September 2021 is set out below:

Historical share trading prices and volume for HMC



Sources: S&P Global and GTCF analysis.

[34] S&P Global Capital IQ.

GrantThornton
An instinct for growth™

The table below illustrates the key events from March 2020 to September 2021, which has had a material impact on the share price and volume movements.

Share price event analysis		
Event	Date	Comments
1	7-May-20	HMC provided guidance on the final distribution for FY20 and reinstated a minimum of A$0.05 per security (on a fully franked basis).
2	12-June-20	HMC was added to the S&P All Ordinaries Index.
3	1-July-20	HMC: - Enacted a trading halt. - Announced the acquisition of three Woolworths anchored convenience based neighbourhood stores for A$127.8 million and the acquisition of Aurrum Erina residential aged care property for A$32.59 million. This was funded with A$12.59 million in cash and the issuance of A$20 million of new fully paid ordinary securities at an issue price of A$2.88. - Raised equity of A$170 million to fund the acquisitions above and the Parafield Retail Complex. - A$140 million fully underwritten placement of 48,611,111 million new stapled shares to institutional investors at an issue price of A$2.88.
4	24-July-20	HMC announced the closure of the security purchase plan, with A$10.64 million worth of new ordinary stapled securities at an issue price of A$2.83.
5	26-Aug-20	HMC announced their FY20 results with the following key metrics: - FY20 pro-forma Freehold FFO - 13% ahead of the prospectus forecast. - 99% of FY20 COVID-19 tenant relief agreed and documented. - 91% cash collection in July-20. - Portfolio value increased 5.2%. - Pro-forma Jun-20 gearing of 32.4% and liquidity of A$109 million.
6	24-Sep-20	HMC entered into a binding contract to acquire Glenmore Park Town Centre and agreed terms to a contract to acquire a second Sydney metropolitan neighbourhood centre for a total consideration of approximately A$220 million.
7	16-Oct-20	HMC announced the establishment of the HomeCo Daily Needs REIT and entered into an underwriting agreement in relation to an offer of new ordinary units to raise A$300 million.
8	18-Nov-20	HMC announced their Annual General Meeting with the following key information: - HMC entered into a binding contract to acquire Marsden Park Shopping Centre (Queensland based convenience focused asset) for a purchase price of A$48 million, representing an implied cap rate of 6.75%. - HMC noted a 19% like for like increase in foot traffic versus Oct-20. - Sales growth across the Daily Needs REIT portfolio in Q1 was 37%. - An increase in the Debt facility was proposed from A$400 million to A$500 million.
9	4-Dec-20	HMC: - Enacted a trading halt. - Announced an A$125 million fully underwritten placement through the issuance of 32.9 million new stapled securities at an issue price of A$3.8. - Announced the acquisition of 6 health, education and government services properties for A$131 million and the acquisition of Western Sydney Gregory Hills Centre for A$32 million.
10	24-Feb-21	HMC reported earnings results for 1H21 with the following key results: - HMC provided a 39% security holder return since IPO in Oct-19, outperforming the ASX200 A-REIT by 50%+. - HMC showed an FFO per security of 7.3 cents during 1H FY21. - HMC declared an interim FY21 dividend of 6 cents per security. - HMC retains A$200 million in liquidity available for deployment to grow the FUM business. - The balance sheet gearing was 13.6% at 31-Dec-20 versus 35.6% at 30-June-20.
11	22-March-21	HMC was added to the S&P/ASX300 Index. HMC was added to the S&P/ASX Small Ordinaries Index.
12	19-April-21	HMC entered into a conditional agreement to acquire a portfolio of 7 Large Format Retail Assets for A$266.4 million.
13	17-May-21	HMC announced A$133.2 million of HealthCo acquisitions.
14	12-July-21	HMC announced the acquisition of 8 private assets from Genesis Care for A$110.3 million.

Share price event analysis

Event	Date	Comments
15	25-Aug-21	HMC announced earnings results for the year ended 30-June-21 with the following: - HMC showed an FFO per security of 13.1 cents during FY21 with a final dividend of 6 cents. - HMC held A$2.5 billion in FUM, which was up 144% since Jun-20. - Allocated A$130 million to the HDN development pipeline. - HMC's second externally managed REIT (HCW) had an A$650 million IPO fully underwritten. - HMC reported A$208 million of direct property investments.

Sources: ASX announcements; S&P Global Capital IQ.

The monthly share price performance of HMC prior to the announcement of the Scheme is summarised below:

GrantThornton
An instinct for growth™

Home Consortium Limited	Share Price			Average
	High	Low	Close	weekly volume
	$	$	$	000'
Month ended				
Aug 2020	3.340	2.950	3.200	710
Sep 2020	3.490	3.060	3.380	945
Oct 2020	4.090	3.300	3.710	1,592
Nov 2020	4.240	3.590	4.000	2,970
Dec 2020	4.130	3.790	4.000	1,003
Jan 2021	4.350	3.900	4.010	462
Feb 2021	4.410	3.600	3.700	1,150
Mar 2021	4.600	3.580	4.400	4,206
Apr 2021	5.220	4.360	5.000	1,296
May 2021	5.250	4.440	4.740	2,021
Jun 2021	6.000	4.680	5.440	1,103
Jul 2021	5.990	5.200	5.990	994
Aug 2021	6.790	5.570	6.530	1,679
Week ended				
11 Jun 2021	5.560	4.830	4.940	1,352
18 Jun 2021	5.650	4.990	5.650	842
25 Jun 2021	6.000	5.580	5.740	1,582
2 Jul 2021	5.700	5.200	5.370	1,199
9 Jul 2021	5.680	5.280	5.360	783
16 Jul 2021	5.580	5.320	5.500	1,155
23 Jul 2021	5.600	5.300	5.460	737
30 Jul 2021	5.990	5.450	5.990	1,038
6 Aug 2021	6.170	5.680	5.810	1,032
13 Aug 2021	6.030	5.700	5.800	1,213
20 Aug 2021	6.000	5.570	5.880	1,037
27 Aug 2021	6.790	5.850	6.150	3,314
3 Sep 2021	7.190	6.130	7.090	4,126
10 Sep 2021	7.500	7.120	7.450	2,874
17 Sep 2021	8.150	7.320	7.790	14,718
24 Sep 2021	8.480	7.740	7.910	3,942

Source: S&P Global and GTCF calculations.

4.5.2 Top shareholders

We have set out below the top 5 shareholders of HMC as at 30 September 2020:

Grant Thornton
An instinct for growth™

HMC Top Shareholders Rank		No. of Shares	Ownership (%)
1	Home Investment Consortium Trust	62,232,824	21.4%
2	Home Investment Consortium Company Pty Ltd	31,121,713	10.7%
3	The Vanguard Group, Inc.	16,380,568	5.6%
4	Fried, Isaac Jacob	14,552,228	5.0%
5	Caledonia (Private) Investments Pty Limited	13,567,904	4.7%
Total Investment Properties		**137,855,237**	**47.5%**
Other shareholders		152,411,118	52.5%
Total Investment Properties		**290,266,355**	**100.0%**

Source: S&P Capital IQ, Management.

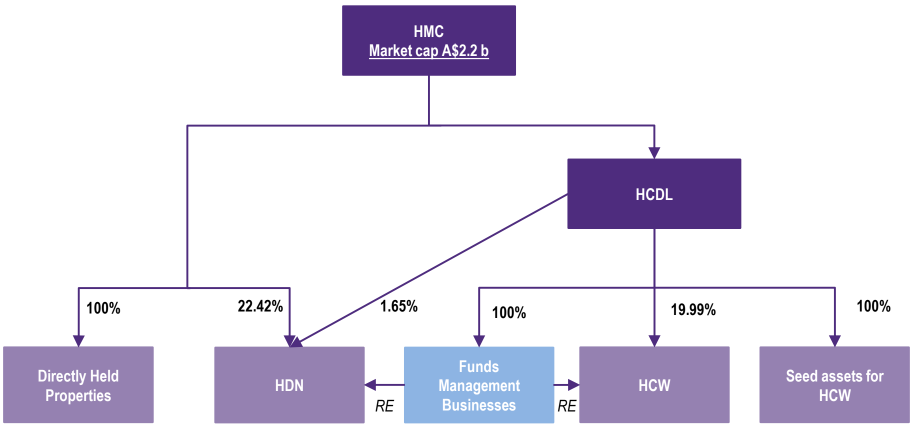
Grant Thornton
An instinct for growth™

5 Profile HMC following the Proposed Restructure

Following the Proposed Restructure, HCL will become the sole listed entity of the current HMC group in place of the existing stapling structure. Holistically, the Group is making changes to simplify the overall corporate structure and the effect of the restructure is that HCL will hold all the assets of the existing HMC group.

The following diagram shows a breakdown of HMC's new structure following the implementation of the Proposed Restructure:

HMC Corporate Structure following Proposed Restructure



Source: HMC Management.

If the Scheme is implemented, there would be no change in the strategy of the Group or the underlying assets held by HMC, the Directors or the Management Team. Management has also confirmed that the Proposed Restructure will have no impact on the FY22 dividend guidance of 12.0 cents per security provided on 25 August 2021.

5.1 Pro-Forma financials of new HMC

The following information illustrates the 30 June 2021 statement of financial position, the subsequent events up to and including 5 November 2021, the impacts of the implementation of the Proposed Restructure and finally the pro-forma statement of financial position for the business following the implementation of the Scheme:

Grant Thornton
An instinct for growth™

Consolidated statements of financial position A$m	30-Jun-21 Audited	Subsequent events		Implementation of the proposal		Pro-Forma information
Assets						
Cash and cash equivalents	11.7	125.4	1	(1.6)	7	135.5
Trade and other receivables	6.1	-		0.1		6.2
Other assets	13.6	-		-		13.6
Assets classified as held for sale	478.6	(478.6)	2	-		-
Total current assets	**510.0**	**(353.2)**		**(1.5)**		**155.3**
Receivables				**-**		**-**
Investment property - freehold	188.1	(39.6)	3	-		148.5
Right-of-use-assets	0.3	-		-		0.3
Investments accounted for using the equity method	263.9	154.4	4	-		418.3
Convertible notes	0.5	-		-		0.5
Deferred tax assets	19.6	-		-		19.6
Total non-current assets	**472.4**	**114.8**		**-**		**587.3**
Total assets	**982.4**	**(238.4)**		**(1.5)**		**742.5**
Liabilities						
Trade and other payables	13.4	2.2	5	-		15.6
Borrowings	0.0	-		-		-
Employee benefit obligations	1.1	-		-		1.1
Lease Liabilities	0.2	-		-		0.2
Income tax	1.7	-		-		1.7
Total current liabilities	**16.4**	**2.2**		**-**		**18.6**
Borrowings	253.1	(254.8)	6	-		(1.7)
Derivative financial instruments	1.8	-		-		1.8
Provisions	-	-		-		-
Lease Liabilities	0.1	-		-		0.1
Total non-current liabilities	**255.0**	**(254.8)**		**-**		**0.2**
Total liabilities	**271.4**	**(252.6)**		**-**		**18.8**
Net assets	**711.0**	**14.2**		**(1.5)**		**723.7**

Sources: Management.

In relation to the above, we note the following:

- *Note 1* – The net increase in cash and cash equivalents of c. A$125.4 million relates to the sales of directly held properties to both HDN and HCW as well as the pay down of the senior outstanding debt amount.
- *Note 2* – Assets classified as held for sale were derecognised via the sale of seven properties to HDN for a net amount of c. A$257.5 million as well as the properties sold to HCW upon listing (c. A$221.1 million).
- *Note 3* – Sale of two LFR retail assets at Coffs Harbour and Lismore to HDN at carrying amounts reflected in the June 2021 property valuations.
- *Note 4* – Recognition of the fair value of investment in HCW upon listing of c. A$146.9 million and re-recognition of investment in HDN upon sell back of units amounting to A$8.9 million.

- *Note 5* – Rental guarantee payable to HCW. See section 4.5 (c) for further information.
- *Note 6* – Repayment of senior syndicated debt facility amount as at 30 June 2021.
- *Note 7* – Transaction costs incurred in conjunction with the Proposed Restructure.

For further information in relation to any of the above please refer to section 4.5 of the Shareholder Booklet.

Grant Thornton
An instinct for growth™

6 Valuation methodologies

6.1 Introduction

Our conclusion on the Scheme involves comparing the advantages and the disadvantages of the Scheme to determine whether the Scheme is in the best interests of the Scheme Shareholders.

In assessing the merits and demerits of the Scheme, Grant Thornton Corporate Finance has considered the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

6.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets ("DCF Method").
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets ("FME Method").
- Amount available for distribution to security holders on an orderly realisation of assets ("NAV Method").
- Quoted price for listed securities, when there is a liquid and active market ("Quoted Security Price Method").
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

6.3 Selected valuation methodologies

Given the Scheme does not involve a change of control transaction, we have considered the advantages and disadvantages of the Scheme and its impact on Scheme Shareholders. Further, we have also considered the implications for Scheme Shareholders if the Scheme is not to be implemented

7 Sources of information, disclaimer and consents

7.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Shareholder Booklet.
- Restructure Deed (which includes the Scheme of Arrangement and Deed Poll as annexures).
- Annual and semi-annual reports of HMC.
- Presentation and other material presented/submitted to the Board in relation to the Proposed Restructure.
- Press releases and announcements by HMC on the ASX.
- S&P Global.
- IBISWorld.
- Various industry and broker reports.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of HMC and its advisers.

7.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Group or Company.

This report has been prepared to assist the Directors in advising the Scheme Shareholders in relation to the Scheme. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Scheme is in the best interest of the Members.

HMC has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Group or Company, which the Group or Company knew or should have known to be false and/or reliance on information, which was material information the Group or Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Group or Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred

7.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Shareholder Booklet to be sent to the Scheme Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Grant Thornton
An instinct for growth™

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Grant Thornton
An instinct for growth™

Appendix B – Glossary

$ or A$	Australian Dollar
APES	Accounting Professional and Ethical Standards
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Tax Office
C.	Circa
CAGR	Compound annual growth rate
Cap Rate	Capitalisation Rate
Corporations Act	Corporations Act 2001
Corporations Regulations	Part 3 of Schedule 8 of the Corporations Regulations, 2001
COVID-19	Coronavirus pandemic
DCF	Discounted Cash Flow
Directors	Directors of Home Consortium
EV	Enterprise value
FSG	Financial Service Guide
FUM	Funds Under Management
FY21	12-month financial year ended 30 June 2021
GAV	Gross Asset value
GLA	Gross Lettable Area
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
HCDL	Home Consortium Developments Limited
HCL or "the Parent"	Home Consortium Limited
HCW	HealthCo Health Care and Wellness REIT
HDN	HomeCo Daily Needs REIT
HDN Investment Manager	HomeCo DNR Investment Management Pty Ltd
HDN Property Manager	HomeCo DNR Property Management Pty Ltd
HMC	Home Consortium
HMC or "the Group"	Home Consortium which includes both HCL and HCDL
HMC Shares	The outstanding shares in HMC
KPI	Key Performance Indicator
LFR	Large Format Retail
Management	The management team of HMC
MSA	Management Service Agreement
NAV Method	Net Asset Value
NPBT	HMC's Net Profit Before Tax
NPBT	Net Profit Before Tax
NTA	Net Tangible Assets
NTM	Next twelve months
Proposed Restructure	The scheme of arrangement under which all HCDL Shares will be transferred to HCL and Eligible Shareholders will receive HCL Shares as scrip consideration for their HCDL Shares.
RBA	Reserve Bank of Australia
REIT	Australian Real Estate Investment Trust

RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 “Contents of expert reports”
RG112	ASIC Regulatory Guide 112 “Independence of experts”
RG60	ASIC Regulatory Guide 60 “Scheme of arrangement”
S&P 500	A stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States
Scheme	The Proposed Restructure, which will be implemented via a scheme of arrangement under 5.1 of the Corporations Act
Scheme Shareholders	Shareholders of HMC
Shareholder Booklet	The Shareholder Booklet, including each attachment
The Group	Home Consortium which includes both HCL and HCDL
VWAP	Volume Weighted Average Price
WACR	Weighted Average Capitalisation Rate

51

ANNEXURE B

Terms of the Scheme

KING&WOOD MALLESONS
金杜律师事务所

Scheme of Arrangement

Dated

Home Consortium Developments Limited (ACN 635 859 700) ("**HCDL**")

Scheme Participants

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia
T +61 2 9296 2000
F +61 2 9296 3999
DX 113 Sydney
www.kwm.com

Scheme of Arrangement
Contents

Details

Parties		
HCDL	Name	**Home Consortium Developments Limited**
	ABN	38 635 859 700
	Address	19 Bay Street, Double Bay NSW 2028
	Email	andrew.selim@home-co.com.au
	Attention	Group General Counsel and Company Secretary
Scheme Participants	Each person registered as a holder of fully paid ordinary shares in HCDL as at 5.00pm on the Record Date.	
Governing law	New South Wales	

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the market operated by it, as the context requires.

Business Day means a business day as defined in the Listing Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed in writing by HCL and HCDL.

Deed Poll means the deed poll dated 1 November 2021 executed by HCL substantially in the form of Annexure B of the Restructure Deed or as otherwise agreed by HCL and HCDL under which HCL covenants in favour of each Scheme Participant to perform its obligations under this Scheme.

Destapling means a destapling of the HCL Shares and HCDL Shares, such that they are not required to be dealt with together, in accordance with the terms of the constitution of HCL and the constitution of HCDL.

Details means the section of this agreement headed “Details”.

Duty means any stamp, transaction or registration duty or similar charge which is imposed by any Government Agency and includes any associated interest, penalty, charge or other amount which is imposed.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any “security interest” as defined in sections 12(1) or (2) of the PPSA, or any agreement to create any of them or allow them to exist.

End Date means 31 January 2021 or such other date as HCL and HCDL agree.

Government Agency means any government, governmental, semi-governmental, administrative, fiscal or quasi-judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

HCDL Share means a fully paid ordinary share in HCDL.

HCDL Shareholder means each person registered in the Register as a holder of HCDL Shares.

HCL means Home Consortium Limited (ABN 94 138 990 593).

HCL Register means the register of members of HCL maintained by or on behalf of HCL in accordance with section 168(1) of the Corporations Act.

HCL Share means a fully paid ordinary share in HCL.

Implementation Date means the fifth Business Day following the Record Date or such other date as HCL and HCDL agree.

Ineligible Foreign Shareholder means a person who holds stapled HCL Shares and HCDL Shares on the Record Date whose address on the register of members is a place outside of Australia and its external territories and who HCL and HCDL have not determined that it is not prohibited and not unduly onerous or impractical to participate in the Scheme.

Listing Rules means the Listing Rules of the ASX.

New HCL Shares means the HCL Shares to be issued to Scheme Participants as Scheme Consideration under this Scheme.

Nominee Holder has the meaning given in clause 6.3(b).

Nominee Shares has the meaning given in clause 6.5(a).

Proceeds has the meaning given in clause 6.5(b)(ii).

Record Date means 5.00pm on the second Business Day following the Effective Date or such other date as HCL and HCDL agree.

Register means the register of members of HCDL maintained by or on behalf of HCDL in accordance with section 168(1) of the Corporations Act.

Registered Address means, in relation to a HCDL Shareholder, the address shown in the Register.

Restructure Deed means the restructure deed dated 17 October 2021 between HCL and HCDL under which, amongst other things, HCDL has agreed to propose this Scheme to HCDL Shareholders, and each of HCL and HCDL has agreed to take certain steps to give effect to this Scheme.

Scheme means this scheme of arrangement between HCDL and Scheme Participants under which all of the Scheme Shares will be transferred to HCL under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by HCL and HCDL in accordance with clause 10.1 of this Scheme.

Scheme Consideration means the consideration payable by HCL for the transfer of HCDL Shares held by a Scheme Participant to HCL, being, in respect of each HCDL Share, 1.6501891222 HCL Shares.

Scheme Meeting means the meeting of HCDL Shareholders, ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which HCDL Shareholders will vote on this Scheme.

Scheme Participant means each person who is a HCDL Shareholder as at 5.00pm on the Record Date.

Scheme Share means a HCDL Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any HCDL Shares issued on or before the Record Date.

Second Court Date means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

Share Scheme Transfer means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

(a) the singular includes the plural and vice versa;

(b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);

(c) a reference to a document also includes any variation, replacement or novation of it;

(d) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;

(e) a reference to "**person**" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;

(f) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(g) a reference to a time of day is a reference to Sydney time;

(h) a reference to dollars, $ or A$ is a reference to the currency of Australia;

(i) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;

(j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;

(k) a reference to any thing (including an amount) is a reference to the whole and each part of it;

(l) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;

(m) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;

(n) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

2 Preliminary

2.1 HCDL

HCDL is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in New South Wales; and

(c) admitted to the official list of the ASX and HCDL Shares are officially quoted on the stock market conducted by ASX as a stapled group comprising HCL Shares and HCDL Shares.

As at 1 November 2021, HCDL's issued securities are:

(a) HCDL Shares: 290,266,355; and

(b) rights: 1,724,744.

2.2 HCL

HCL is:

(a) a public company limited by shares;

(b) incorporated in Australia and registered in Victoria; and

(c) admitted to the official list of the ASX and HCL Shares are officially quoted on the stock market conducted by ASX as a stapled group comprising HCL Shares and HCDL Shares.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective then, following the Destapling of the Scheme Shares from HCL Shares in accordance with the Restructure Deed:

(a) in consideration of the transfer of each Scheme Share to HCL, HCDL will procure HCL to provide the Scheme Consideration to HCDL on behalf of each Scheme Participant in accordance with the terms of this Scheme;

(b) all Scheme Shares will be transferred to HCL on the Implementation Date; and

(c) HCDL will enter the name of HCL in the Register in respect of all Scheme Shares transferred to HCL in accordance with the terms of this Scheme.

2.4 Restructure Deed

HCL and HCDL have agreed by executing the Restructure Deed to implement the terms of this Scheme.

2.5 Deed Poll

HCL has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(a) as at 8.00am on the Second Court Date, the Deed Poll not having been terminated;

(b) all of the conditions precedent in clause 3.1 of the Restructure Deed having been satisfied or waived (other than the conditions precedent in items 3.1(a), 3.1(d), 3.1(e) and 3.1(g)) in accordance with the terms of the Restructure Deed;

(c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, HCL and HCDL having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and

(d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

3.3 Certificate in relation to conditions precedent

HCL and HCDL must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and clause 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

The certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to clause 4.2 this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

This Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date.

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, HCDL must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as HCL and HCDL agree in writing.

5.2 Transfer and registration of HCDL Shares

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.2 of this Scheme and HCL having provided HCDL with written confirmation of the provision of the Scheme Consideration:

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to HCL without the need for any further act by any Scheme Participant (other than acts performed by HCDL as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:

(i) HCDL delivering to HCL a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants; and

(ii) HCL duly executing the Share Scheme Transfer and delivering it to HCDL for registration; and

(b) as soon as practicable after receipt of the duly executed Share Scheme Transfer, HCDL must enter the name of HCL in the Register in respect of all Scheme Shares transferred to HCL in accordance with the terms of this Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to HCL of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

5.4 Title and rights in HCDL Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, HCL will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by HCDL of HCL in the Register as the holder of the Scheme Shares.

5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to HCL and is deemed to have authorised HCDL to warrant to HCL as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to HCL under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and

(b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to HCL under the Scheme.

5.7 Transfer free of Encumbrances

To the extent permitted by law, all HCDL Shares (including any rights and entitlements attaching to those shares) which are transferred to HCL under this Scheme will, at the date of the transfer of them to HCL, vest in HCL free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5.8 Appointment of HCL as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.2 of this Scheme, on and from the Implementation Date until HCDL registers HCL as the holder of all of the HCDL Shares in the Register, each Scheme Participant:

(a) irrevocably appoints HCDL as attorney and agent (and directs HCDL in such capacity) to appoint HCL and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to HCDL Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and

(b) must take all other actions in the capacity of the registered holder of HCDL Shares as HCL directs.

HCDL undertakes in favour of each Scheme Participant that it will appoint HCL and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.

6 Scheme Consideration

6.1 Consideration under the Scheme

On the Implementation Date, HCDL must procure HCL to issue the Scheme Consideration to the Scheme Participants (or to the nominee in the case of

Ineligible Foreign Shareholders, in accordance with clause 6.5) in accordance with this clause 6.

6.2 Payment of Scheme Consideration

Subject to the terms and conditions of this Scheme (including clause 6.5 in relation to Ineligible Foreign Shareholders and clause 6.3 in relation to fractional elements), HCL undertakes to HCDL (in HCDL's own right and separately on behalf of each Scheme Participant) that, in consideration of the transfer to HCL of each Scheme Share held by a Scheme Participant, on the Implementation Date it will:

(a) accept the transfer of Scheme Shares;

(b) issue the New HCL Shares as Scheme Consideration to Scheme Participants (or to the nominee in the case of Ineligible Foreign Shareholders, in accordance with clause 6.5) in accordance with the Scheme;

(c) ensure that the name and address of each such Scheme Participant is entered into the HCL Register on the Implementation Date in respect of the New HCL Shares to which it is entitled under this clause 6; and

(d) ensure that a statement of holding is sent to the Registered Address of each such Scheme Participant representing the number of New HCL Shares issued to the Scheme Participant pursuant to this Scheme.

6.3 Fractional entitlements

(a) If the number of HCDL Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration includes a fractional entitlement to a New HCL Share, the entitlement will be rounded as follows:

(i) if the fractional entitlement is less than 0.5, it will be rounded down to zero New HCL Shares; and

(ii) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to one New HCL Share.

(b) For the purposes of this clause 6.3, the Scheme Consideration for a Scheme Participant who holds one or more parcels of HCDL Shares as trustee or nominee for, or otherwise on account of, another person ("**Nominee Holder**"), will be calculated and rounded based on the aggregate number of HCDL Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

6.4 Scheme Participants' agreements

Under this Scheme, each Scheme Participant (and any nominee on behalf of the Ineligible Foreign Shareholders) irrevocably:

(a) agrees to the transfer of their HCDL Shares together with all rights and entitlements attaching to those HCDL Shares in accordance with this Scheme;

(b) accepts the New HCL Shares issued to them;

(c) agrees and acknowledges that the issue of New HCL Shares in accordance with this clause 6 constitutes satisfaction of all that person's entitlements under this Scheme;

(d) acknowledges that this Scheme binds HCDL and all of the Scheme Participants (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting); and

(e) consents to HCL and HCDL doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

6.5 Ineligible Foreign Shareholder sale facility

Where a Scheme Participant is an Ineligible Foreign Shareholder, each Ineligible Foreign Shareholder authorises HCL to:

(a) issue to a nominee appointed by HCL any New HCL Shares to which an Ineligible Foreign Shareholder would otherwise be entitled to ("**Nominee Shares**");

(b) procure, as soon as reasonably practicable after the Implementation Date, and in no event no more than 30 days after the Implementation Date, that the nominee:

(i) sells or procures the sale of all of the Nominee Shares issued to the nominee pursuant to clause 6.5(a) (including on an aggregated or partially aggregate basis), in the ordinary course of trading on the ASX at such price as the nominee determines in good faith; and

(ii) remits to HCL the proceeds of sale (net of any brokerage costs, fees and applicable taxes) ("**Proceeds**"); and

(c) promptly after the last sale of the Nominee Shares in accordance with clause 6.5(b)(i), pay to each Ineligible Foreign Shareholder an amount equal to the proportion of the net proceeds of sale received by HCL under clause 6.5(b)(ii) to which that Ineligible Foreign Shareholder is entitled, in full satisfaction of their entitlement to the Nominee Shares, in accordance with the following formula:

$$\mathbf{A = (B \div C) \times D}$$

Where

A is the amount to be paid to the Ineligible Foreign Shareholder;

B is the number of Nominee Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are instead issued to the nominee;

C is the total number of Nominee Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders collectively and which are instead issued to the nominee; and

D is the Proceeds.

(d) Neither HCL nor HCDL make any representation as to the amount of proceeds of sale to be received by Ineligible Foreign Shareholders under the facility conducted under this clause 6.5. Each of HCL and HCDL expressly disclaim any fiduciary duty to the Ineligible Foreign Shareholders which may arise in connection with the facility.

6.6 Orders of a Court or Government Agency

(a) HCDL may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, any amount which HCL and HCDL determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency.

(b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.

(c) If written notice is given to HCDL of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:

(i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6 to instead be paid or provided to a Government Agency or other third party (either through payment of a sum or the issuance of a security), then HCDL shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or

(ii) prevents consideration being provided to any particular Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, HCDL shall be entitled to direct HCL not to issue such number of New HCL Shares as that Scheme Participant would otherwise be entitled to under this clause 6, until such time as payment or provision of the consideration is permitted by that order or direction or otherwise by law.

6.7 Shares to rank equally

HCL covenants in favour of HCDL (in its own right and on behalf of the Scheme Participants) that:

(a) the New HCL Shares will rank equally in all respects with all existing HCL Shares;

(b) the New HCL Shares will be duly and validly issued in accordance with applicable laws and the constitution of HCL; and

(c) on issue, each New HCL Share will be fully paid and free from any Encumbrances.

6.8 Joint holders

In the case of Scheme Shares held in joint names:

(a) any New HCL Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the HCL Register must take place in the same order as the holders' names appear in the Register; and

(b) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of HCDL, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by HCDL if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before 5.00pm on the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00pm on the Record Date at the place where the Register is kept.

7.2 Register

HCDL must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before 5.00pm on the Record Date.

7.3 No disposals after Record Date

If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

HCDL will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Record Date (except a transfer to HCL pursuant to this Scheme and any subsequent transfer by HCL or its successors in title).

7.4 Maintenance of HCDL Register

For the purpose of determining entitlements to the Scheme Consideration, HCDL will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been issued to the Scheme Participants and HCL has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to HCL contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after 5.00pm on the Record Date as documents of title in respect of those shares (other than statements of holding in favour of HCL and its successors in title). After 5.00pm on the Record Date, each entry current on the Register as at 5.00pm on the Record Date (other than entries in respect of HCL or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

7.6 Details of Scheme Participants

Within two Business Days after the Record Date, HCDL will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at 5.00pm on the Record Date are available to HCL in such form as HCDL reasonably requires.

7.7 Quotation of HCDL Shares

Suspension of trading on ASX in HCDL Shares will occur from the close of trading on ASX on the Effective Date.

7.8 Termination of quotation of HCDL Shares

After the Scheme has been fully implemented, HCDL will apply:

(a) for termination of the official quotation of HCDL Shares on ASX; and

(b) to have itself removed from the official list of the ASX.

8 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints HCDL and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

(a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;

(b) enforcing the Deed Poll against HCL,

and HCDL accepts such appointment.

9 Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to HCDL, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at HCDL's registered office or at the office of the registrar of HCDL Shares.

9.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10 General

10.1 Variations, alterations and conditions

HCDL may, with the consent of HCL (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

10.2 Further action by HCDL

HCDL will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

10.3 Authority and acknowledgement

Each of the Scheme Participants:

(a) irrevocably consents to HCL and HCDL doing all things necessary or expedient for or incidental to the implementation of this Scheme; and

(b) acknowledges that this Scheme binds HCDL and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of HCDL.

10.4 No liability when acting in good faith

Neither HCDL nor HCL, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

10.5 Enforcement of Deed Poll

HCDL undertakes in favour of each Scheme Participant to enforce the Deed Poll against HCL on behalf of and as agent and attorney for the Scheme Participants.

10.6 Stamp duty

HCL must pay all Duty in relation to the execution and performance of this document and all matters, things and documents contemplated by this document.

11 Governing law

11.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

11.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

ANNEXURE C

Notice of Scheme Meeting

By order of the Supreme Court of New South Wales made on 4 November 2021 pursuant to section 411(1) of the Corporations Act, a meeting of holders of fully paid ordinary shares in HCDL will be held on 10 December 2021 commencing from 10.30am (Sydney time) (or as soon thereafter as the HCL AGM and HCDL AGM have been concluded or adjourned)[1] as a virtual meeting. HCDL Shareholders may participate in the Scheme Meeting at https://meetings.linkgroup.com/HMC2102.

The Court has directed that Chris Saxon act as chair of the meeting or, failing him, David Di Pilla.

Information about the Scheme is set out in the Shareholder Booklet that accompanies this notice. Terms used in this notice have the same meaning as set out in the Glossary in the Shareholder Booklet, unless indicated otherwise.

The quorum for the meeting of HCDL is two HCDL Shareholders who are present at the meeting and entitled to vote on a resolution at the meeting.

Business of the Scheme Meeting

The business to be considered at the Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) a scheme of arrangement proposed to be made between HCDL and the holders of its fully paid ordinary shares.

Scheme Resolution

To consider and, if thought fit, to pass the following as a special resolution of Home Consortium Developments Limited:

"That, pursuant to, and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed by Home Consortium Developments Limited and the holders of its ordinary shares as contained in and more precisely described in the Shareholder Booklet of which the notice convening this meeting forms part is approved (with or without modification as approved by the Supreme Court of New South Wales)."

By order of the board of Home Consortium Developments Limited.

Andrew Selim

Company Secretary

5 November 2021

1. Home Consortium anticipates that a recess of approximately 5 minutes will occur between the AGMs and the Scheme Meeting to allow HCDL Shareholders to access the online link for the Scheme Meeting.

Information for HCDL Shareholders

These accompanying explanatory notes from part of this notice and should be read in conjunction with it.

Required majority

The resolution described in the “Business” section of this notice will be passed if it is approved by a majority in number of HCDL Shareholders who voted (in person or by proxy or representative) and at least 75% of votes cast by HCDL Shareholders entitled to vote on the resolution.

Voting and proxies

Eligibility to vote

For the purposes of determining entitlement to vote at the Scheme Meeting, HCDL Shares will be taken to be held by those registered as holders at 7.00pm on 8 December 2021 (Sydney time). Transactions registered after that time will be disregarded in determining HCDL Shareholders’ entitlement to vote at the Scheme Meeting.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf. A personalised Scheme Meeting Proxy Form accompanies this notice.

A proxy need not be a HCDL Shareholder and may be an individual or a body corporate.

The HCDL Shareholder, or the HCDL Shareholder’s attorney who has not received any notice of revocation of authority, must sign the Scheme Meeting Proxy Form.

Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specific a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, neither proxy may vote on a show of hands if more than one proxy attends. On a poll, each proxy may only exercise votes in respect of those Home Consortium Stapled Shares or voting rights the proxy represents.

Lodging your Proxy Form

Completed and signed Scheme Meeting Proxy Forms (together with any power of attorney or other authority under which the appointment was signed or a certified copy of the authority) must be returned by 10.30am on 8 December 2021 (Sydney time).

You can lodge your completed Scheme Meeting Proxy Form, letter of representation or power of attorney:

a. *in person* to:*

   Link Market Services
   Level 12,
   680 George Street,
   SYDNEY NSW 2000

   *during business hours Monday to Friday (9.00am – 5.00pm) and subject to public health orders and restrictions.

b. *by mail to:*

   c/- Link Market Services
   Locked Bag A14,
   SYDNEY SOUTH 1235

c. *by fax to:*

   +61 2 9287 0309

d. *online at:*

   www.linkmarketservices.com.au

   To use this facility you will need your Scheme Meeting Proxy Form as it contains your Shareholder Reference Number (SRN) or Holder Identification Number (HIN). You will be taken to have signed your Scheme Meeting Proxy Form if you lodge it in accordance with the instructions on the website.

If you appoint a proxy or attorney, you may still attend the Scheme Meeting. However, if you vote on a resolution, the proxy or attorney is not entitled to vote as your proxy or attorney on the resolution. Accordingly, you will be asked if you wish to revoke your proxy if you register to vote at the Scheme Meeting.

Undirected and directed proxies

You are encouraged to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the Scheme Meeting Proxy Form.

If you intend to appoint the Chair of the Scheme Meeting as your proxy, or the Chair of the Scheme Meeting is appointed as your proxy by default, you can direct the Chair how to vote by marking the relevant boxes on your Scheme Meeting Proxy Form, or you can leave all of the boxes unmarked and give the Chair of the Scheme Meeting your express authority to vote your undirected proxy as the Chair sees fit (in which case the Chair of the Scheme Meeting will vote in favour of all items of business).

Corporate HCDL Shareholders

Corporate HCDL Shareholders who wish to appoint a representative to attend and vote at the Scheme Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as that HDCL Shareholder's representative. A form of authorisation may be obtained from the Share Registry.

Admission to Scheme Meeting

HCDL Shareholders may attend the Scheme Meeting virtually at https://meetings.linkgroup.com/HMC2102.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme Resolution put to the Scheme Meeting is passed by the required majorities and other conditions precedent to the Scheme are satisfied or waived (including the General Meetings Resolutions being passed by the shareholders of HCL and HCDL), HCDL intends to apply to the Court on 14 December 2021 for approval of the Scheme.

ANNEXURE D

Notice of HCL General Meeting

Notice is hereby given that the extraordinary general meeting of members of HCL will be held on 10 December 2021 commencing at 10.45am (Sydney time) (or as soon thereafter as the Scheme Meeting has concluded or been adjourned)[1] as a virtual meeting. HCL Shareholders may participate in the HCL General Meeting at https://meetings.linkgroup.com/HMC2103.

Information in relation to the resolutions below is set out in the Shareholder Booklet that accompanies this notice. Terms used in this notice have the same meaning as set out in the Glossary in the Shareholder Booklet, unless indicated otherwise.

Chris Saxon will act as chair of the meeting or, failing him, David Di Pilla.

The quorum for the meeting of the HCL is two HCL Shareholders who are present at the meeting and entitled to vote on a resolution at the meeting.

If the quorum is not present within 30 minutes, the meeting will be adjourned to a time and place determined by Home Consortium Directors.

Business of the HCL General Meeting

The business to be considered at the HCL General Meeting is to consider and, if thought fit, to pass the following resolutions of shareholders of HCL (each a General Meetings Resolution):

1. Destapling of Home Consortium Stapled Shares

To consider and, if thought fit, to pass the following as a special resolution of Home Consortium Limited:

"That, subject to and conditional upon the Scheme becoming Effective, the Destapling of the HCL Shares and HCDL Shares in accordance with the terms of the Stapling Deed, HCL Constitution and HCDL Constitution, be approved."

2. Share Consolidation of HCL Shares

To consider and, if thought fit, to pass the following as an ordinary resolution of Home Consortium Limited:

"That, subject to and conditional upon the Scheme becoming Effective and being implemented, for the purposes of section 254H of the Corporations Act and for all other purposes, approval is given for the consolidation of the HCL Shares on the basis that each number of HCL Shares determined by dividing the number of HCL Shares on issue immediately after the implementation of the Scheme by the number of HCL Shares on issue as at the Proposal Record Date will be consolidated into 1 HCL Share, with any resulting fractional entitlement of a Home Consortium Shareholder to a HCL Share rounded to the nearest whole number."

By order of the board of Home Consortium Limited.

Andrew Selim

Company Secretary

5 November 2021

1. Home Consortium anticipates that a recess of approximately 5 minutes will occur between the Scheme Meeting and the HCL General Meeting to allow HCL Shareholders to access the online link for the HCL General Meeting.

Information for HCL Shareholders

These accompanying explanatory notes form part of this notice and should be read in conjunction with it.

Required majority

The resolution described in item 1 of the “Business” section of this notice is a special resolution and will be passed if at least 75% of votes cast by HCL Shareholders entitled to vote on the resolution are cast in favour of the resolution.

The resolution described in item 2 of the “Business” section of this notice is an ordinary resolution and will be passed if more than 50% of votes cast by HCL Shareholders entitled to vote on the resolution are cast in favour of the resolution.

Voting and proxies

Eligibility to vote

For the purposes of determining entitlement to vote at the HCL General Meetings, HCL Shares will be taken to be held by those registered as holders at 7.00pm on 8 December 2021 (Sydney time). Transactions registered after that time will be disregarded in determining HCL Shareholders’ entitlement to vote at the HCL General Meeting.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf. A personalised HCL General Meeting Proxy Form accompanies this notice.

A proxy need not be a HCL Shareholder and may be an individual or a body corporate.

The HCL Shareholder, or the HCL Shareholder’s attorney who has not received any notice of revocation of the authority, must sign the HCL General Meeting Proxy Form.

Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, neither proxy may vote on a show of hands if more than one proxy attends. On a poll, each proxy may only exercise votes in respect of those HCL Shares or voting rights the proxy represents.

Lodging your HCL General Meeting Proxy Form

Completed and signed HCL General Meeting Proxy Forms (together with any power of attorney or other authority under which the appointment was signed or a certified copy of the authority) must be returned by 10.45am on 8 December 2021 (Sydney time).

You can lodge your completed HCL General Meeting Proxy Form, letter of representation or power of attorney:

a. *in person* to:*

   Link Market Services
Level 12,
680 George Street,
SYDNEY NSW 2000

   *during business hours Monday to Friday (9.00am – 5.00pm) and subject to public health orders and restrictions.

b. *by mail to:*

   c/- Link Market Services
Locked Bag A14,
SYDNEY SOUTH 1235

c. *by fax to:*

   +61 2 9287 0309

d. *online at:*

   www.linkmarketservices.com.au

   To use this facility you will need your Scheme Meeting Proxy Form as it contains your Shareholder Reference Number (SRN) or Holder Identification Number (HIN). You will be taken to have signed your Scheme Meeting Proxy Form if you lodge it in accordance with the instructions on the website.

If you appoint a proxy or attorney, you may still attend the HCL General Meeting. However, if you vote on a resolution, the proxy or attorney is not entitled to vote as your proxy or attorney on the resolution. Accordingly, you will be asked if you wish to revoke your proxy if you register to vote at the HCL General Meeting.

Undirected and directed proxies

You are encouraged to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the HCL General Meeting Proxy Form.

If you intend to appoint the Chair of the HCL General Meeting as your proxy, or the Chair of the HCL General Meeting is appointed as your proxy by default, you can direct the Chair how to vote by marking the relevant boxes on your HCL General Meeting Proxy Form, or you can leave all of the boxes unmarked and give the Chair your express authority to vote your undirected proxy as the Chair sees fit (in which case the Chair of the HCL General Meeting will vote in favour of all items of business).

Corporate HCL Shareholders

Corporate HCL Shareholders who wish to appoint a representative to attend and vote at the HCL General Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as that HCL Shareholder's representative. A form of authorisation may be obtained from the Share Registry.

Admission to the HCL General Meeting

HCL Shareholders may attend the HCL General Meeting virtually at https://meetings.linkgroup.com/HMC2103.

ANNEXURE E

Notice of HCDL General Meeting

Notice is hereby given that the extraordinary general meeting of members of HCDL will be held on 10 December 2021 commencing at 11.00am (Sydney time) (or as soon thereafter as the HCL General Meeting has concluded or been adjourned)[1] as a virtual meeting. HCDL Shareholders may participate in the HCDL General Meeting at https://meetings.linkgroup.com/HMC2104.

Information in relation to the resolutions below is set out in the Shareholder Booklet that accompanies this notice. Terms used in this notice have the same meaning as set out in the Glossary in the Shareholder Booklet, unless indicated otherwise.

Chris Saxon will act as chair of the meeting or, failing him, David Di Pilla.

The quorum for the meeting of the HCDL is two HCDL Shareholders who are present at the meeting and entitled to vote on a resolution at the meeting.

If the quorum is not present within 30 minutes, the meeting will be adjourned to a time and place determined by Home Consortium Directors.

Business of the HCDL General Meeting

The business to be considered at the HCDL General Meeting is to consider and, if thought fit, to pass the following resolution of shareholders of HCDL (a General Meetings Resolution):

1. Destapling of Home Consortium Stapled Shares

To consider and, if thought fit, to pass the following as a special resolution of Home Consortium Developments Limited:

"That, subject to and conditional upon the Scheme becoming Effective, the Destapling of the HCL Shares and HCDL Shares in accordance with the terms of the Stapling Deed, HCL Constitution and HCDL Constitution, be approved."

By order of the board of Home Consortium Developments Limited.

Andrew Selim

Company Secretary

5 November 2021

1. Home Consortium anticipates that a recess of approximately 5 minutes will occur between the HCL General Meeting and the HCDL General Meeting to allow HCDL Shareholders to access the online link for the HCDL General Meeting.

Information for HCDL shareholders

These accompanying explanatory notes form part of this notice and should be read in conjunction with it.

Required majority

The resolution described in item 1 of the "Business" section of this notice is a special resolution and will be passed if at least 75% of votes cast by HCDL Shareholders entitled to vote on the resolution are cast in favour of the resolution.

Voting and proxies

Eligibility to vote

For the purposes of determining entitlement to vote at the HCDL General Meetings, HCDL Shares will be taken to be held by those registered as holders at 7.00pm on 8 December 2021 (Sydney time). Transactions registered after that time will be disregarded in determining HCDL Shareholders' entitlement to vote at the HCDL General Meeting.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf. A personalised HCDL General Meeting Proxy Form accompanies this notice.

A proxy need not be a HCDL Shareholder and may be an individual or a body corporate.

The HCDL Shareholder, or the HCDL Shareholder's attorney who has not received any notice of revocation of the authority, must sign the HCDL General Meeting Proxy Form.

Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, neither proxy may vote on a show of hands if more than one proxy attends. On a poll, each proxy may only exercise votes in respect of those HCDL Shares or voting rights the proxy represents.

Lodging your HCDL General Meeting Proxy Form

Completed and signed HCDL General Meeting Proxy Forms (together with any power of attorney or other authority under which the appointment was signed or a certified copy of the authority) must be returned by 11.00am on 8 December 2021 (Sydney time).

You can lodge your completed HCDL General Meeting Proxy Form, letter of representation or power of attorney:

a. *in person* to:*

   Link Market Services
   Level 12,
   680 George Street,
   SYDNEY NSW 2000

   *during business hours Monday to Friday (9.00am – 5.00pm) and subject to public health orders and restrictions.

b. *by mail to:*

   c/- Link Market Services
   Locked Bag A14,
   SYDNEY SOUTH 1235

c. *by fax to:*

   +61 2 9287 0309

d. *online at:*

   www.linkmarketservices.com.au

   To use this facility you will need your Scheme Meeting Proxy Form as it contains your Shareholder Reference Number (SRN) or Holder Identification Number (HIN). You will be taken to have signed your Scheme Meeting Proxy Form if you lodge it in accordance with the instructions on the website.

If you appoint a proxy or attorney, you may still attend the HCDL General Meeting. However, if you vote on a resolution, the proxy or attorney is not entitled to vote as your proxy or attorney on the resolution. Accordingly, you will be asked if you wish to revoke your proxy if you register to vote at the HCDL General Meeting.

Undirected and directed proxies

You are encouraged to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the HCDL General Meeting Proxy Form.

If you intend to appoint the Chair of the HCDL General Meeting as your proxy, or the Chair of the HCDL General Meeting is appointed as your proxy by default, you can direct the Chair how to vote by marking the relevant boxes on your HCDL General Meeting Proxy Form, or you can leave all of the boxes unmarked and give the Chair your express authority to vote your undirected proxy as the Chair sees fit (in which case the Chair of the HCDL General Meeting will vote in favour of all items of business).

Corporate HCDL Shareholders

Corporate HCDL Shareholders who wish to appoint a representative to attend and vote at the HCDL General Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as that HCDL Shareholder's representative. A form of authorisation may be obtained from the Share Registry.

Admission to the HCDL General Meeting

HCDL Shareholders may attend the HCDL General Meeting virtually at https://meetings.linkgroup.com/HMC2104.

Home
Consortium

Home Consortium

Home Consortium Limited
ACN 138 990 593

Home Consortium Developments Limited
ACN 635 859 700

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Home Consortium and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10.30am (or as soon thereafter as the AGM has been concluded or adjourned) on Friday, 10 December 2021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at **https://meetings.linkgroup.com/HMC2102** (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Home Consortium intends to give shareholders a recess of approximately 5 minutes following the conclusion of the AGM to allow shareholders time to access the link for the Scheme Meeting.

STEP 2

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

Resolutions	For	Against	Abstain*
1 "That, pursuant to, and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed by Home Consortium Developments Limited and the holders of its ordinary shares as contained in and more precisely described in the Shareholder Booklet of which the notice convening this meeting forms part is approved (with or without modification as approved by the Supreme Court of New South Wales)."	☐	☐	☐

ⓘ * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.30am on Wednesday, 8 December 2021,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

Home Consortium

Home Consortium Limited
ACN 138 990 593

Home Consortium Developments Limited
ACN 635 859 700

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Home Consortium and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting,

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10.45am (or as soon thereafter as the Scheme Meeting has been concluded or adjourned) on Friday, 10 December 2021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at **https://meetings.linkgroup.com/HMC2103** (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Home Consortium intends to give shareholders a recess of approximately 5 minutes following the conclusion of the Scheme Meeting to allow shareholders time to access the link for the HCL General Meeting.

STEP 2

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.
Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

Resolutions	For	Against	Abstain*
1 Destapling of Home Consortium Group Stapled Shares			
2 Share Consolidation of HCL Shares			

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.45am on Wednesday, 8 December 2021,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

Home Consortium

Home Consortium Limited
ACN 138 990 593

Home Consortium Developments Limited
ACN 635 859 700

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Home Consortium and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting,

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11.00am (or as soon thereafter as the HCL General Meeting has been concluded or adjourned) on Friday, 10 December 2021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at **https://meetings.linkgroup.com/HMC2104** (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Home Consortium intends to give shareholders a recess of approximately 5 minutes following the conclusion of the HCL General Meeting to allow shareholders time to access the link for the HCDL General Meeting.

STEP 2

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.
Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions	**For**	**Against**	**Abstain***
1 Destapling of Home Consortium Group Stapled Shares	☐	☐	☐

ⓘ * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am on Wednesday, 8 December 2021,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL

Home Consortium
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

+61 2 9287 0309

BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions