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**Home  
Consortium**

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## **Securities Trading Policy**

**HomeCo Daily Needs REIT**

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# HomeCo Daily Needs REIT Securities Trading Policy

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## 1. Application

### Who does this Policy apply to?

- 1.1 This Securities Trading Policy (**Policy**) sets out the Group's policy on Trading in the Units of the HomeCo Daily Needs REIT (ASX: HDN). Certain capitalised terms used in this Policy are defined in section 2. For the purposes of this Policy, **Group** or **HDNR** means HMC Funds Management Limited (**RE**) as responsible entity for the HomeCo Daily Needs REIT and any entities owned, either beneficially or legally, by HDNR or the RE.

### Reasons for this Policy

- 1.2 The Group has adopted this Policy to regulate Trading by certain persons in HDNR's Securities.
- 1.3 All persons to whom this policy applies are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the Employee's personal interests and those of the Group. HDNR is also keen to promote shareholder and general market confidence in the Group.
- 1.4 This Policy is specifically designed to:
- (a) raise awareness and minimise any potential for breach (or the appearance of any breach) of the prohibitions on insider trading contained in Part 7.10 of the Corporations Act – see section 4 for further details; and
  - (b) meet the HDNR's obligations under the ASX Listing Rules to maintain a Securities Trading Policy.

### Who does this Policy apply to?

- 1.5 This Policy applies to the following persons (**Designated Persons**):
- (a) the Board;
  - (b) all officers, employees and consultants of HDNR and Home Consortium, including without limitation;
    - (i) the Company Secretary, compliance officer and responsible managers of HDNR;
    - (ii) all directors, officers and employees of the Investment Manager and the Property Manager;
    - (iii) any person who has received equity performance rights and/or options as part of any equity incentive based scheme of the Group or Home Consortium; and
  - (c) consultants, advisors and contractors to HDNR or HomeCo that the Board designates to be Designated Persons.

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## 2. Definitions and interpretation

### Definitions

- 2.1 In this Policy, unless the context otherwise requires:

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**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market conducted by ASX Limited, as the context requires.

**ASX Listing Rules** means the listing rules of ASX applicable to HDNR from time to time.

**Board** means the board of directors of the RE.

**Closed Period** means any time other than during a Trading Window.

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

**Designated Persons** has the meaning given in section 1.5.

**Director** means a director of the RE.

**Exceptional Circumstances** means circumstances which the Chair (or lead independent Director in the case of proposed Trading by the Chair) decides are so exceptional that the proposed Trading of Securities is the only reasonable course of action available, which may include the circumstances set out in section 7.1.

**Fund Manager** means the person appointed by the Investment Manager to act as the manager of HDNR's day to day operations.

**Home Consortium** means the stapled entity comprising Home Consortium Limited and Home Consortium Developments Limited and any entities owned either beneficially or legally by them, including the Investment Manager and the Property Manager.

**Inside information** has the meaning given in the Corporations Act, as summarised in sections 4.6 to 4.8 below.

**Investment Manager** means HomeCo DNR Investment Management Pty Ltd.

**Prohibited Period** means any Closed Period and any additional period from time to time for which the Chair or Board imposes a prohibition on Trading.

**Property Manager** means HomeCo DNR Property Management Pty Ltd.

**Securities** includes Units, debentures, options, performance rights and other securities issued by the Company which are convertible into Units, as well as financial products issued or created over Units by third parties, including structured financial products, swaps, futures contracts, contracts for differences, spread bets, options, warrants, depositary receipts or other derivatives over or related to the performance of Units.

**Trade or Trading** means:

- (a) buying or selling Securities;
- (b) entering into an agreement to buy or sell Securities; or
- (c) exercising options, rights or awards to acquire Securities.

**Trading Window** means a period determined by HDNR in accordance with clauses 3.6 to 3.8.

**Units** means any unit in HDNR.

## Interpretation

2.2 In this Policy, a reference to writing includes writing delivered by email.

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### 3. Trading Windows

#### Trading may occur only during Trading Windows

- 3.1 All Trading in Securities by Designated Persons must comply with this Policy and generally will only be permitted during Trading Windows and must not occur during any Prohibited Period.
- 3.2 No Trading in Securities may occur outside of Trading Windows without the prior written permission of the Chair (or an officer of the Company designated by the Chair), unless an exception in section 3.9 applies. Permission to sell (but not purchase) Securities outside of Trading Windows will ordinarily only be granted in Exceptional Circumstances and only in the event that the person involved is not in possession of Inside Information relating to the Group. Requests for permission should generally be made through the Company Secretary. Refer to section 7 for further details.
- 3.3 Designated Persons must not commence, amend or withdraw from a distribution reinvestment plan of HDNR during a Prohibited Period, other than in Exceptional Circumstances.

#### When is Trading during a Trading Window prohibited?

- 3.4 Even if a Trading Window is open, the laws prohibiting insider trading continue to apply to Designated Persons so that they must not Trade if they possess any inside information. Refer to section 4 for further details.

#### What other restrictions to Trading apply?

- 3.5 Designated Persons are prohibited from:
- (a) **(short term trading)** other than when an Employee exercises employee options or performance rights to acquire Units at the specified exercise price, Trading in Securities (or an interest in Securities) on a short-term trading basis. Short-term trading includes buying and selling Securities within a six month period, and entering into other short-term dealings (e.g. forward contracts). However, the sale of Units that have been converted after exercising options or rights will not be regarded as short-term trading;
  - (b) **(hedging unvested or restricted Securities)** entering into transactions or arrangements, including by way of derivatives or similar financial products, which operate to limit the economic risk relating to Securities granted under an employee, executive or director incentive plan or as part of the Employee's remuneration, which either have not vested or have vested but remain subject to a holding lock or other restriction on dealing under the terms of the plan; or
  - (c) **(short positions)** Trading in other forms of Securities which enable a Designated Person to profit from or limit the economic risk of a decrease in the market price of Units.

#### When are the Trading Windows?

- 3.6 The Trading Windows during which Designated Persons are permitted to Trade in HDNR's Securities will generally be open at the following times:
- (a) for a period of four weeks commencing on the trading day following the public release by HDNR of its preliminary annual and half year results to the ASX;

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- (b) for a period of four weeks commencing on the trading day following the holding of any HDNR unitholder meeting;
  - (c) during the offer period (for so long as it remains open) under any publicly available prospectus or other disclosure document issued by the RE offering Securities;
  - (d) for a period of four weeks commencing on the trading day following the public release of HDNR's semi-annual reports to the ASX; and
  - (e) at any other time as the Board may determine.
- 3.7 Notwithstanding the time periods described above, the RE may declare a Trading Window closed at any time at its absolute discretion and without prior notice. For example, this could occur if Directors believe that certain Designated Persons may hold Inside Information relating to the Group. In addition, Designated Persons cannot Trade in a period between, five business days prior to and the day of the announcement, of the HDNR quarterly distributions.
- 3.8 Trading Windows will not automatically be opened at the times described above. Details of when a Trading Window is opened or closed and any Prohibited Periods will be notified by email by the Company Secretary to Designated Persons.

### Exceptions to the Prohibited Periods

- 3.9 The following exceptions apply to the Trading restrictions during Prohibited Periods (but subject always to insider trading laws):
- (a) an exercise (but not the sale of Securities following exercise) of an option or other right to acquire Units under an employee incentive scheme or the conversion of a convertible Security, where the final date for the exercise of the option or right or for the conversion of the Security falls during a Prohibited Period;
  - (b) Trading under an offer or invitation made to all or most unitholders in HDNR such as a rights or entitlement issue, a unit purchase plan, or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
  - (c) Trading where the beneficial interest in the relevant Securities does not change. This includes:
    - (i) a dealing by which the relevant Securities are transferred by an Employee from their personal holdings to a superannuation or similar fund of which they are a beneficiary; or
    - (ii) the withdrawal of Securities from an employee incentive scheme and the transfer of those Securities to the participant's personal holdings or superannuation or similar fund of which they are a beneficiary;
  - (d) an acquisition of Securities under a distribution reinvestment plan, provided the election to participate in the distribution reinvestment plan was not made during a Prohibited Period or when the Employee was in possession of any inside information;
  - (e) a Designated Persons accepting a takeover bid or transferring Securities under a scheme of arrangement in respect of HDNR;

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- (f) an involuntary disposal of Securities that is the result of a secured lender or financier exercising their rights. However, this does not extend to disposal under a margin lending arrangement where such arrangement is prohibited by this Policy;
  - (g) an acquisition of Securities under a bonus issue made to all holders of Securities of the same class;
  - (h) where the RE has an employee incentive scheme with an Employee as a trustee of the scheme, an acquisition of Securities by the Designated Person in their capacity as a trustee of the scheme;
  - (i) indirect and incidental Trading that occurs as a consequence of a Designated Person dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold Securities as part of its portfolio;
  - (j) where a Designated Person is a trustee of a trust, Trading by that trust provided the Designated Person is not a beneficiary of the trust and any decision to Trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the relevant Designated Person; and
  - (k) Trading under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
    - (i) the Designated Person did not enter into the plan or amend the plan during a Prohibited Period;
    - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or where to Trade; and
    - (iii) the trading plan does not allow for the cancellation of a trading plan or for the Designated Person to otherwise vary their participation in the trading plan during a Prohibited Period other than in Exceptional Circumstances.
- 3.10 However, under the insider trading laws, a person who possesses inside information is generally prohibited from Trading even where Trading falls within an exception specified above. See section 4 for further details.

### Escrow

- 3.11 Any Designated Person who holds Securities subject to binding restrictions on transfer (either as ASX restricted securities or through voluntary escrow arrangements) must comply with the terms of any applicable escrow arrangements and will be unable to Trade in the relevant Securities during that time. Once the escrow arrangements have ended, the Designated Person is not free to Trade unless permitted by this Policy.

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## 4. Insider trading laws

### What is insider trading?

- 4.1 Under the Corporations Act, all Designated Persons (and other persons) are prohibited in all circumstances from Trading in Securities at any time if they are in possession of "inside information" (see sections 4.6 to 4.8) whether or not a Trading Window is open.

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- 4.2 When prohibited from Trading, Designated Persons are also prohibited from procuring others to Trade.
- 4.3 In addition, Designated Persons:
- (a) must not communicate inside information to someone who might then:
    - (i) Trade in Securities; or
    - (ii) procure another person to Trade in Securities,  
including to any family members, friends and entities which the Designated Person controls; and
  - (b) should seek to ensure that third parties who come into possession of inside information preserve its confidentiality and do not Trade while in possession of that information. This will usually be achieved by means of a written confidentiality agreement.
- 4.4 It does not matter how or in what capacity a Designated Person becomes aware of inside information. It does not have to be obtained from the Group to constitute inside information.
- 4.5 Designated Persons cannot avoid the insider trading prohibitions by arranging for a family member, friend or other person to Trade nor may a Designated Person give "tips" concerning inside information to others.

### What is inside information?

- 4.6 **Inside information** is information which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of HDNR's Securities. Inside information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person and/or HDNR.
- 4.7 Information is regarded as being likely to have a material effect on price or value if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in HDNR's Securities.
- 4.8 Examples of inside information could include:
- (a) the financial performance of the Group against its budget;
  - (b) changes in the Group's actual or anticipated financial condition or business performance;
  - (c) changes in the capital structure of the Group, including proposals to raise additional equity or borrowings;
  - (d) proposed changes in the nature of the business of the Group;
  - (e) changes to the Board or significant changes in key management personnel;
  - (f) an undisclosed significant change in the Group's market share;
  - (g) likely or actual entry into, or loss of, a material contract;
  - (h) material acquisitions or sales of assets by the Group;
  - (i) material changes to property valuations;

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- (j) a proposed distribution or other distribution or a change in distribution policy; or
- (k) a material claim against a member of the Group or other unexpected liability.

### What are the consequences of insider trading?

- 4.9 Insider trading is strictly prohibited by law, and it is important that all Designated Persons do not breach that prohibition. Insider trading, or the perception of insider trading, by any Designated Persons will not be tolerated. Breach of the law or this Policy will also be regarded by the Group as serious misconduct which may lead to disciplinary action or dismissal.
- 4.10 The existence of a personal financial emergency or hardship does not excuse non-compliance with this Policy. It is important not only that the Group and its Designated Persons do not participate in any insider trading activities, but also that we avoid any appearance of insider trading.
- 4.11 Any allegation of insider trading would be likely to have a serious detrimental impact on the Group and its business and all Designated Persons must be seen to be actively and diligently upholding the law and complying with this Policy.
- 4.12 Breach of the insider trading laws may subject the Group and Designated Persons to:
- (a) criminal liability (penalties include heavy fines or imprisonment);
  - (b) civil liability (including orders to pay compensation for any loss suffered as a result of illegal trading activities);
  - (c) civil penalties (the Australian Securities and Investments Commission may seek court-ordered civil penalties against relevant persons); and
  - (d) automatic disqualification from managing corporations.

### Primacy of insider trading laws

- 4.13 Despite anything else in this Policy, any conduct by Designated Persons in breach of insider trading laws is prohibited. Under those laws, a person who possesses inside information is generally prohibited from Trading even where:
- (a) a Trading Window is open;
  - (b) the Trading falls within an exception in this Policy; or
  - (c) the person has been given permission under this Policy to Trade (whether in Exceptional Circumstances or otherwise).
- 4.14 Any permission to Trade given under this Policy, or any failure to object to a pre-notified Trade, is not an endorsement of the proposed Trade. Designated Persons are individually responsible for their investment decisions and their compliance with insider trading laws.
- 4.15 Before making any Trade, a Designated Person should consider carefully whether they are in possession of any inside information that might preclude them from Trading at that time and, if they have any doubt in this regard, they should not Trade.

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## 5. Trading in securities of other companies

- 5.1 While in general Designated Person are free to deal in securities of other listed companies, the insider trading laws prohibit dealings not only in HDNR's Securities but also in the securities of other listed companies in respect of which a Designated Person possesses inside information, such as Home Consortium.
- 5.2 If a Designated Person is aware of inside information in respect of another company, the Designated Person should not trade or deal in the securities of that company. For example, where the Designated Person is aware that the Group is about to sign a major agreement with another company, the Employee should not buy securities in either the Group or the other company.
- 5.3 The Board may extend this Policy by specifying that Designated Persons are also restricted from dealing in securities of other specified companies with which the Group may have a close relationship, such as Home Consortium.
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## 6. Pre-notification and reporting of Trades

### When and by whom must an intention to Trade be notified?

- 6.1 When permitted to Trade in accordance with this Policy, all Directors and Designated Persons must give at least two trading days' (or such shorter period approved by the Chair) prior written notice of any proposed Trading in Securities and certify that they do not possess any inside information that might preclude them from Trading at that time:
- (a) in the case of Designated Person who is not a Board Member, to the Company Secretary;
  - (b) in the case of a Director, to the Chair;
  - (c) in the case of the Chair, to the Company Secretary who will seek advice from the Board.
- (each a **Notification Officer**).
- 6.2 If the relevant Notification Officer objects to the proposed Trade, they must promptly notify the relevant Director or Designated Person that the Trade must not proceed, and must advise the Board (which may overrule the decision if it thinks appropriate). The Notification Officer or the Board may object to the proposed Trade in their discretion, without giving any reasons, and the decision is final and binding on the relevant Director or Designated Person, who must keep the decision confidential and not disclose it to anyone.
- 6.3 If there is no objection to a proposed Trade, the opportunity to make the Trade expires five trading days from the date of the notice under section 6.1. The Notification Officer or the Board may object to the Trade during that period if new information comes to light or there is a change in circumstances.
- 6.4 However, under the insider trading laws, a person who possesses inside information is generally prohibited from Trading even if the proposed Trade is notified and not objected to. The Director or Designated Person must not Trade if they come into possession of inside information after giving notice of the proposed Trade. See section 4 for further details.

### What Trading does not need to be pre-notified?

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- 6.5 The only Trades that do not need to be pre-notified are those that are permitted under a specific exception in section 3.9 (Exceptions to the Prohibited Periods).

### Notification of Trades

- 6.6 In addition to prior notification under section 6.1, once a Trade has been made by or for a Director or Designated Person, details of the Trade, including the number and price of Securities involved, must be notified by email to the Company Secretary.
- 6.7 Further, Directors must immediately notify the Company Secretary of all acquisitions or disposals or other Trading of Securities, including date, price and volume, without exception so that the RE can comply with its ASX reporting obligations. Each disclosure notice given to ASX will need to state whether the relevant trade occurred outside of a Trading Window and, if so, whether prior written clearance was provided.

### Notification of an intention to Trade on behalf of associates

- 6.8 Directors and Designated Persons must give prior written notice of any proposed Trading in Securities in accordance with section 6.1 on behalf of any of their associates. For this purpose, "associates" of a Director or Designated Person includes their spouse, children and other family members, and any trusts, companies, nominees and other persons over whom the Director or Designated Person has, or may be expected to have, investment control or influence.

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## 7. Exceptional circumstances

- 7.1 Designated Persons may request permission to Trade outside of Trading Windows only in Exceptional Circumstances (except if this would breach the insider trading laws). Exceptional Circumstances may include:
- (a) severe financial hardship, where the Designated Persons has pressing financial commitments that cannot be satisfied otherwise than by selling Securities; or
  - (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements.
- 7.2 A request for permission to Trade due to Exceptional Circumstances should be made by written notice to the Company Secretary including:
- (a) the name of the Designated Person;
  - (b) details of the claimed Exceptional Circumstances and the reasons for requesting permission to Trade;
  - (c) the type of proposed transaction (purchase, sale, etc.);
  - (d) the number and type of Securities involved; and
  - (e) a statement certifying that the Designated Person does not possess any inside information that might preclude them from Trading at that time.
- 7.3 The Company Secretary will consult with the Chair (or the lead independent Director in the case of proposed Trading by the Chair) in relation to any proposed Trading due to Exceptional Circumstances. Permission to Trade is entirely discretionary, and the Designated Persons should not Trade in the expectation that permission will later be given.

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- 7.4 If permission to Trade is refused, no reasons need to be given and the decision is final and binding on the Designated Person, who must keep the decision confidential and not disclose it to anyone.
- 7.5 If permission to Trade is granted, it will be given in writing and the Designated Person may only Trade the Securities during the period specified in the permission. A permission expires five trading days from its date, unless it specifies a different date, and may be withdrawn if new information comes to light or there is a change in circumstances.
- 7.6 However, under the insider trading laws, a person who possesses inside information is generally prohibited from Trading even where permission has been given under this Policy to Trade (in Exceptional Circumstances or otherwise). A Designated Person must not Trade if they come into possession of inside information after receiving permission to Trade. See section 4 for further details.
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### **8. Margin lending arrangements**

- 8.1 Directors and Designated Persons may not include their Securities in a margin loan portfolio or otherwise Trade in Securities pursuant to a margin lending arrangement without first obtaining the consent of the Chair (or, in the case of the Chair, the lead independent Director). This is particularly because the terms of the arrangement may require the Securities to be sold during a Prohibited Period or when the relevant Director or Designated Person possesses inside information.
- 8.2 Arrangements prohibited by section 8.1 include:
- (a) entering into a margin lending arrangement in respect of Securities;
  - (b) transferring Securities into an existing margin loan account; or
  - (c) selling Securities to satisfy a call under a margin loan except where the holder of the Securities has no control over the sale.
- 8.3 The HDNR may, at its discretion, make any consent granted under section 8.1 conditional upon such terms and conditions as the HDNR sees fit (for example, specifying the circumstances in which Securities may be sold to satisfy a margin call).
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### **9. Review of Policy and compliance with Policy**

- 9.1 This Policy will be reviewed regularly by the Board having regard to the changing circumstances of the Group and any changes to this Policy will be notified to ASX. If Designated Persons have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.
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### **10. Breaches**

- 10.1 Breaches of this Policy will be viewed seriously and may lead to disciplinary action being taken against the relevant Designated Person. In serious cases, disciplinary action may include dismissal. Any Designated Person who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.
- 10.2 It should be noted that, in some circumstances, HDNR may be obliged to notify regulatory and/or criminal authorities of a breach of this Policy.

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## 11. Questions

- 11.1 For questions about the operation of this Policy or its application in any particular situation, please contact the Company Secretary.

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