



Audit and Risk Committee Charter

HomeCo Daily Needs REIT

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1. Introduction

- 1.1 The Audit and Risk Committee (**Committee**) is a committee of the board of directors (**Board**) of HMC Funds Management Limited (**Company**) as responsible entity for the HomeCo Daily Needs REIT (**HDN**). The Company and any entities owned, either beneficially or legally, by HDN or the RE are referred to as the **Group**.
- 1.2 This Charter sets out the role, authority, responsibilities, composition and procedural requirements of the Committee.
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2. Role and objectives

- 2.1 The role of the Committee is to assist the Board in fulfilling its responsibility for ensuring the integrity of the Company's financial and mandatory climate reporting and the implementation of a sound system of risk management and internal control by monitoring, reviewing and advising or reporting to the Board on:
- (a) the reliability and integrity of the Company's financial management, application of accounting policies, financial reporting systems and processes;
 - (b) the appropriateness of any judgements or choices exercised by management in preparing the Company's financial statements and mandatory climate reporting;
 - (c) the implementation and effectiveness of the Company's risk management and internal control policies and practices;
 - (d) the implementation and effectiveness of the Company's conflicts of interest and related party transaction protocols and practices;
 - (e) the Company's compliance with its obligations under the Company's Australian Financial Services Licence (**AFSL**) conditions and HDN's Compliance Plan, as well as overseeing the Company's broader compliance framework;
 - (f) management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
 - (g) the implementation and effectiveness of the Company's internal audit systems and processes;
 - (h) the appointment and, if necessary, removal of the Company's external auditors and the work of, and relationship with, the external auditors;
 - (i) the implementation and effectiveness of the Company's systems and processes for ensuring compliance with all applicable laws, regulations and Company policies; and
 - (j) the Company's taxation risk management, financial risk management, and business policies and practices, and risks associated with transactions of a strategic or routine nature.
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3. Responsibilities

- 3.1 In order to fulfil its responsibilities to the Board, the Committee will:

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Financial and climate reports

- (a) review (including by asking the external auditors for an independent judgement about) the appropriateness and integrity of policies and principles adopted by management in the preparation and presentation of the financial and mandatory climate reports and whether the disclosures in the notes to the financial and mandatory climate reports made by management accurately portray the Company's financial condition, plans and long-term commitments;
- (b) review the financial reports for the half year and full year and related regulatory filings, and consider whether they are accurate, complete and consistent with information known to Committee members, and reflect the Company's accounting policies and principles;
- (c) receive and consider in connection with the half year and full year financial reports (and any quarterly reports, if applicable) a declaration from the Fund Manager and the Chief Financial Officer to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- (d) review the mandatory climate report and consider whether it is accurate, complete and consistent with the information known to Committee members, and reflects HDN's internal policies and practices;
- (e) review with management and external auditors the results of the audit;

Internal control and risk management

in consultation with management:

- (f) prepare a risk profile which describes the material business risks facing the Group, including financial and non-financial matters and any material exposure to environmental or social risks. The risk profile should take into account both the Group's legal obligations and the reasonable expectations of the Group's stakeholders (such as unitholders, employees, customers, suppliers, creditors, consumers and the broader community in which the Group operates) and should include recommendations on how the Group may manage those material risks;
- (g) regularly review and update the risk profile and provide copies to the Board;
- (h) review and report to the Board (at least annually) on the effectiveness of the Company's internal controls regarding:
 - (i) the Company's financial and mandatory climate reporting systems and processes;
 - (ii) due diligence for acquisitions and other new projects;
 - (iii) compliance with confidentiality obligations; and
 - (iv) information technology security;

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- (i) review and report to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including:
 - (i) breaches of contract or internal controls;
 - (ii) litigation and claims; and
 - (iii) fraud and theft;
- (j) obtain regular reports from management on the occurrence and status of any material breaches of internal controls, fraud or other material risk exposures or incidents and report to the Board (at each Board meeting or earlier, if appropriate) on such breaches, exposures and incidents and generally whether material business risks are being managed effectively;
- (k) receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- (l) review the scope of the internal and external auditors' review of internal controls and risk management, and review reports on significant findings and recommendations, together with management's responses;
- (m) review the Group's risk management framework at least annually to satisfy itself that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board. The Committee should satisfy itself that the risk management framework deals adequately with contemporary and emerging risks including:
 - (i) the risk of inappropriate, unethical or unlawful behaviour on the part of the Group's management or employees; and
 - (ii) digital disruption, cyber security, and privacy and data breaches;
- (n) recommend to the Board any changes to the Company's internal controls, risk management framework and risk appetite from time to time as appropriate;
- (o) satisfy itself that HDN has an appropriate insurance program, having regard to HDN's business and the insurable risks associated with its business;

Internal audit

- (p) review with management and the internal auditor (if one is appointed), the scope and adequacy of the internal audit function;
- (q) meet with the internal auditor and management to review internal audit reports and monitor management responses;
- (r) meet separately with the internal auditor, at least once a year, to discuss any matters that the Committee or internal auditor believes should be discussed privately;
- (s) review the independence, objectivity and performance of the internal audit function;
- (t) ensure there are no unjustified restrictions or limitations on, and consider and approve the appointment, replacement or dismissal of, the internal auditor by management;

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External audit

- (u) review the external auditors' proposed audit scope, adequacy and approach;
- (v) meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed privately;
- (w) establish policies as appropriate regarding the independence of the external auditors;
- (x) review the rotation of the audit engagement partner, in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (y) review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company and HDN, including non-audit services, and discussing the relationships with the auditors;
- (z) review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditors for audit and non-audit work and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to unitholders for their approval;

Compliance

- (aa) monitor compliance by the Company with its AFSL conditions, HDN's compliance plan, the Corporations Act and the Company's constitution;
- (bb) consider the plans and processes for the Group's compliance activities;
- (cc) obtain regular updates from management and lawyers regarding compliance matters;
- (dd) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;
- (ee) review the findings of any examinations by regulatory agencies;

Reporting responsibilities

- (ff) regularly report to the Board about Committee activities, issues and related recommendations;
- (gg) provide an open avenue of communication between the internal auditors, the external auditors, and the Board. For the purpose of supporting the independence of their function, the external auditors and the internal auditor have a direct line of reporting access to the Committee;
- (hh) report to the Board on any material exposure to environmental, governance and social risks and, if the Company is exposed to such risks, recommend how the Company should manage those risks;
- (ii) report annually to the Board regarding information to be provided in the Annual Report to unitholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules;

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- (jj) review any other reports the Company issues that relate to the Committee's responsibilities;
- (kk) report to the Board on the Company's process to verify the integrity of any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor;
- (ll) receive reports from management under the Company's Whistleblower Policy, Anti-Corruption Compliance Policy and material breaches under any other of the Company's policies, and oversee related investigations;
- (mm) report to the Board the results of any review of the effectiveness of the system for monitoring compliance with laws and regulations, and make recommendations to the Board in relation to any changes that the Committee considers should be made to the Company's compliance management framework;

Related party transactions

- (nn) review and monitor related party transactions and investments in accordance with the Conflicts of Interest and Related Party Transactions Policy and such other policies the Board may adopt from time-to-time;
- (oo) maintain the Declaration Register and make available such register to the Board and the Company or HDN's external auditors from time to time, as required by the Related Party Transactions Policy;

Other responsibilities

- (pp) perform other activities related to this Charter as requested by the Board;
- (qq) institute and oversee special investigations as needed; and
- (rr) confirm to the Board annually that all responsibilities outlined in this Charter have been carried out.

4. Composition

- 4.1 The Committee will comprise a minimum of three members, all of whom must be non-executive directors and the majority of whom must be independent directors.
- 4.2 All members must be financially literate (i.e. able to read and understand financial statements). At least one member must have expertise in financial and accounting matters. At least two members must have an understanding of the industry in which the Group operates.
- 4.3 The Board will nominate the Chair of the Committee from time to time. The Chair must be an independent director who is not the Chair of the Board.
- 4.4 The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

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5. Procedural requirements

- 5.1 The Committee will meet as required and it is intended that the Committee will meet at least quarterly.
- 5.2 Any member may, and the Company Secretary or his or her delegate must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.
- 5.3 A quorum of the Committee will comprise two members, although all members are expected to attend (either in person or by conference call or similar means) and participate.
- 5.4 If the Chair of the Committee is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.
- 5.5 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 5.6 Each member of the Committee will have one vote.
- 5.7 The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- 5.8 The Committee may seek such advice from any external parties as it may consider necessary or desirable to fulfil its objectives.
- 5.9 Following each meeting the Chair of the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action.
- 5.10 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to all directors (in the papers for the next Board meeting following the Committee meeting).
- 5.11 The Company Secretary or his or her delegate will attend all Committee meetings and provide such assistance as may be required by the Chair in relation to preparation of the agenda, minutes or papers for the Committee.
- 5.12 Any director who is not a member of the Committee may attend Committee meetings but will not have any vote.
- 5.13 As necessary or desirable, the Chair of the Committee may invite members of management, including the internal auditor, and representatives of the external auditors or other external advisors, to be present at meetings of the Committee.

6. Authority

- 6.1 The Committee may in fulfilling its purpose and discharging its responsibilities:
 - (a) conduct or authorise inquiries or investigations into any matters within its scope of responsibility;
 - (b) retain lawyers, accountants or others to advise the Committee or assist in the conduct of any inquiries or an investigation;

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- (c) have unrestricted access to and seek any information it requires from:
 - (i) management and staff; and
 - (ii) internal and external auditors (without management present),
 all of whom are directed to cooperate with the Committee's requests; and
- (d) seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.

6.2 The Committee has no authority to act for, or on behalf of, the Board or the Company or HDN. Its primary corporate governance role is to assist the Board to discharge its responsibilities with respect to the financial affairs, risk management and related matters of the Company and to advise and make appropriate recommendations to the Board with respect to such financial and risk management responsibilities.

7. Annual review

- 7.1 The Committee will review its performance annually.
- 7.2 The annual performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this Charter.

8. Review of this Charter

- 8.1 The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee, and to make recommendations to the Board of any amendments to this Charter.
- 8.2 Any amendment to this Charter must be approved by the Board.

May 2026

Policy Owner	Group General Counsel and Company Secretary
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Team	Legal, Compliance and Governance
Revisions	Version 1 – October 2020 – Introduced at IPO Version 2 – May 2024 – Periodic review Version 3 – May 2026 – Periodic review and changes made to reflect additional Committee responsibilities in relation to mandatory climate reporting