

# Home Consortium

## ASX RELEASE

26 November 2021

### Further Information - Notice of Meeting

Home Consortium (ASX: HMC) provides, for clarity, further information in respect of Resolution 5 in its Notice of Meeting and Explanatory Memorandum for the AGM 2021 to be held at 10.00am (Sydney time) on Friday, 10 December 2021.

This further information is shown as a new section 7.5 in the extract attached.

-ENDS-

For further information, please contact:

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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.*

Each participant in the EEP and NEDEP will otherwise hold the same number of Rights on the same terms (including any vesting conditions) as applicable to the participant's relevant Rights prior to the Restructure.

If the Restructure proceeds, the Rights granted to David Di Pilla in accordance with Resolution 5 will therefore be Rights to Home Consortium Limited shares only

#### 7.4 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires the following information be provided to Securityholders:

- (a) 223,189 FY22 Award Rights are being granted to David Di Pilla. The number of Rights he will be issued is based on his grant value divided by approximately \$6.27, being the VWAP of a Security over the 5 trading days following announcement of the Company's FY21 full-year results;
- (b) the FY22 Award Rights will be granted to David Di Pilla, Managing Director and Chief Executive Officer of the Company (and/or his nominee);
- (c) in relation to the FY22 grant, the actual number of FY22 Award Rights that vest and will convert into Securities is dependent on the achievement of the vesting conditions as described in section 7.5;
- (d) David Di Pilla's remuneration arrangements for FY22 as Managing Director and Chief Executive Officer are as follows:

Remuneration element	Opportunity
Fixed Remuneration (inclusive of Base Salary plus Superannuation)	\$700,000
Long-Term Incentive – FY22 grant	200% of Fixed Remuneration at maximum

Further information regarding David Di Pilla's remuneration arrangements is detailed in the 2021 Annual Report.

- (d) David Di Pilla has previously been issued 688,760 Performance Rights under the EEP (being the total number of rights under the FY20 EEP, FY21 EEP and COVID-19 EEP) of which zero have vested and converted to Securities. Nil consideration was paid for the issue of the Performance Rights;
- (e) a summary of the material terms of the FY22 Award Rights is set out in this section 7.4 and 7.5;
- (f) the Company uses Performance Rights because they create alignment between executives and ordinary Securityholders but do not provide the executives with the full benefits of Security ownership (such as dividend and voting rights) unless and until the Performance Rights vest;
- (g) the Performance Rights will be granted for nil cash consideration;
- (h) the allotment and issue of the FY22 Award Rights will occur as soon as practicable after the Meeting, but in any event no later than three years after the Meeting;
- (i) a summary of the material terms of the EEP is set out in Schedule 2;

- (j) there is no loan in relation to the proposed award of Performance Rights to David Di Pilla;
- (k) details of any securities issued under the EEP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEP after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and

- (l) a voting exclusion statement is included in the Notice for Resolution 5.

## 7.5 Other key terms of the proposed Issue of Performance Rights to David Di Pilla

Term	Detail																
Performance Period	The performance period for the FY22 award is the three-year period commencing 1 July 2021 to 30 June 2024.																
Performance Conditions	<p>The performance conditions applicable to the Performance Rights under the FY22 award are:</p> <p><b>1. TSR condition:</b> Vesting of 50% of the Performance Rights will be subject to the Group's TSR relative to a comparator group comprising S&amp;P/ASX300 Australian Real Estate Investment Trusts (ASX300 A-REITs) over the Performance Period.</p> <p>No Rights subject to the TSR performance condition will vest unless a positive TSR result is achieved over the Performance Period (<b>TSR gate</b>).</p> <table border="1"> <thead> <tr> <th>Performance scale</th> <th>Percentage of rights to vest</th> </tr> </thead> <tbody> <tr> <td>Below 50<sup>th</sup> percentile</td> <td>Nil</td> </tr> <tr> <td>At the 50<sup>th</sup> percentile (threshold)</td> <td>50 %</td> </tr> <tr> <td>At or above the 75<sup>th</sup> percentile (maximum)</td> <td>100 %</td> </tr> </tbody> </table> <p>Rights will vest on a straight-line basis if the Company's TSR performance is between the 50<sup>th</sup> and 75<sup>th</sup> percentile of the comparator group.</p> <p><b>2. FFO per share condition:</b> Vesting of 50% of the Performance Rights will be subject to achievement of the Group's aggregate FFO per share target over the Performance Period.</p> <table border="1"> <thead> <tr> <th>Performance scale</th> <th>Percentage of rights to vest</th> </tr> </thead> <tbody> <tr> <td>Below 97.5% of target FFO</td> <td>Nil</td> </tr> <tr> <td>At the 97.5% of target FFO (threshold)</td> <td>50 %</td> </tr> <tr> <td>At or above 100% of target FFO (maximum)</td> <td>100 %</td> </tr> </tbody> </table> <p>Rights will vest on a straight-line basis if the Company's FFO performance is between 97.5% and 100% of target.</p> <p><b>Disclosure of performance outcomes</b></p>	Performance scale	Percentage of rights to vest	Below 50 <sup>th</sup> percentile	Nil	At the 50 <sup>th</sup> percentile (threshold)	50 %	At or above the 75 <sup>th</sup> percentile (maximum)	100 %	Performance scale	Percentage of rights to vest	Below 97.5% of target FFO	Nil	At the 97.5% of target FFO (threshold)	50 %	At or above 100% of target FFO (maximum)	100 %
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	Specific details of the FFO targets for the FY22 LTIP awards have not been disclosed due to commercial sensitivity. However, in the FY24 Remuneration Report the Board will set out how Home Consortium has performed against these targets.
Service Condition	<p>Unless the Board determines a different treatment</p> <ul style="list-style-type: none"> <li>i. If David Di Pilla ceases to be an employee due to resignation (or termination for cause) all unvested rights will automatically lapse.</li> <li>ii. If David Di Pilla ceases employment for any other reason, all unvested Rights (which may be pro-rated by the Board for time elapsed since the start of the Performance Period) will remain “on-foot” and will be performance tested at the end of the relevant Performance Period. To the extent that the relevant performance conditions are satisfied, the Rights will vest at the original Vesting Date.</li> </ul>

## 7.6 Directors' Recommendation

The Directors (other than David Di Pilla) recommend that Securityholders vote in favour of Resolution 5. Each Director who makes a recommendation intends to vote any Securities he or she owns or controls in favour of Resolution 5.

The Chair intends to exercise all available proxies in favour of Resolution 5.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.