



Sustainability Committee Charter

HMC Capital Limited

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Sustainability Committee Charter

1. Introduction

- 1.1 The Sustainability Committee (**Committee**) has been established as a committee of the board of directors (**Board**) of HMC Capital Limited (the **Company**). The Company and its subsidiaries are collectively 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 Committee's role and objectives are to support and advise the Board in fulfilling its responsibilities relating to sustainability to shareholders and employees of the Group.
 - 2.2 The Committee acknowledges that such responsibilities are required to be administered by the Company and key entities of the Group, namely its ASX-listed managed funds, HomeCo Daily Needs REIT and HealthCo Healthcare and Wellness REIT (**REITs**).
 - 2.3 Accordingly, the Committee is responsible for ensuring that the Company and where appropriate, the REITs:
 - (a) have relevant policies and strategies with respect to matters involving environmental, social and governance risks (ESG) and opportunities are in place;
 - (b) have relevant alignment and a membership to industry, benchmarking organisations (eg. GRESB, UNPRI);
 - (c) have a process for establishing and evaluating the performance against designated ESG KPIs (if any);
 - (d) assess and establish relevant risk reporting with respect to regulatory or industry developments as they relate to climate change reporting (eg. TCFD), modern slavery compliance and any other matter that the Committee deems appropriate.
 - 2.4 In order to fulfil its responsibilities, the Committee will have the right:
 - (a) to obtain information from management; and
 - (b) to seek advice from external consultants or specialists where the Committee considers that is necessary or appropriate to allow the Committee to make its determinations or recommendations to the Board.
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3. Composition

- 3.1 The Committee will initially comprise a minimum of three members, all of whom must be non-executive directors of the Board and the majority of whom should be independent directors of the Board.
- 3.2 The Chair of the Board will nominate the Chair of the Committee who shall be an independent director.
- 3.3 Otherwise, the Board will nominate the Chair of the Committee from time to time. The Chair of the Committee must be an independent director of the Board.

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4. Procedural requirements

- 4.1 The Committee will meet as required and it is intended that the Committee will meet at least twice a year.
- 4.2 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.
- 4.3 Given that the Committee is responsible for overseeing the implementation of sustainability-related initiatives by the Company and the REITs, a representative from each of the REITs will be invited to each meeting of the Committee. Each REIT representative (who may be the Chair of the REIT, a director of the REIT or any one of their nominated delegates from time to time) may attend Committee meetings but will not have any vote.
- 4.4 A quorum of the Committee will comprise two members, one of whom must be the Chair of the Committee or, in the absence of the Chair, another independent director.
- 4.5 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.
- 4.6 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.
- 4.7 Each member of the Committee will have one vote.
- 4.8 The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- 4.9 A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own election, re-election, removal, remuneration or a specific remuneration policy that affects them. However, a member who is a non-executive director may be present and vote in relation to the remuneration of all non-executive directors.
- 4.10 Any member of the Committee may, with the prior approval of the Chair of the Committee, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.
- 4.11 Any Director who is not a member of the Committee may attend Committee meetings but will not have any vote.
- 4.12 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.
- 4.13 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to all directors.
- 4.14 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.
- 4.15 The Chair of the Committee or, if the Chair is not available, a Committee member should attend the Annual General Meeting of the Company and be available to answer any questions from shareholders about the Committee's activities.

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5. Annual review

- 5.1 The Committee will prepare and provide to the Board annually:
- (a) a self-evaluation of its performance against its Charter, goals and objectives;
 - (b) recommended goals and objectives for the coming year; and
 - (c) recommended changes or improvements to this Charter if necessary.
- 5.2 The annual review may be done by way of an oral report to the Board by the Chair of the Committee.
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6. Review of this Charter

- 6.1 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.
- 6.2 Any amendment to this Charter must be approved by the Board.

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