

ASX Announcement

4 June 2019

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### Hotel Property Investments (ASX Code: HPI)

#### Distribution reinvestment plan

HPI is pleased to announce the introduction of a Distribution Reinvestment Plan (**DRP**), under which eligible securityholders are able to invest all or a part of their distributions into HPI stapled securities. The **DRP** will apply to future distributions payable, including in respect of the financial year ending 30 June 2019.

Please find **attached** an information pack which will be sent to eligible securityholders over the coming days, including a Frequently Asked Questions (FAQ) sheet which outlines the key features of the **DRP**. Also **attached** are the full **DRP** Rules and **DRP** Election Form.

A copy of each of these documents can also be obtained from the investor centre on the HPI website shortly: [https://www.hpitrust.com.au/cms/?q=investor\\_centre](https://www.hpitrust.com.au/cms/?q=investor_centre).

Yours sincerely,  
**Hotel Property Investments**

Contact:  
**Blair Strik**  
**Hotel Property Investments Limited**  
**03 9038 1774**  
**Website: [www.hpitrust.com.au](http://www.hpitrust.com.au)**



## Hotel Property Investments

Hotel Property Investments Trust (ARSN 166 484 377)

Hotel Property Investments Limited (ACN 010 330 515)

**P:** +61 3 9038 1774  
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**Address**  
Suite 2, L17, IBM  
Centre  
60 City Road,  
Southbank, VIC, 3006

Dear Valued Securityholder

### Hotel Property Investments Distribution Reinvestment Plan (DRP)

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Hotel Property Investments (**ASX : HPI**) has recently announced the introduction of a **DRP** allowing shareholders to reinvest their distributions into stapled securities of HPI. HPI invites all eligible securityholders to participate in the **DRP** subject to the **DRP Rules**.

Holders of HPI stapled securities who have a registered address in Australia or New Zealand are eligible to participate in the **DRP**.

**Enclosed** with this letter are:

1. a **DRP Election Form**;
2. an email collection form;
3. the **DRP Rules** and a **Frequently Asked Questions (FAQ)** fact sheet; and
4. a business reply envelope

A full copy of the **DRP Rules** (including the **FAQ sheet** and **Election Form**) can also be obtained from the investors page of the HPI website: [www.hpitrust.com.au/cms/?q=investor\\_centre](http://www.hpitrust.com.au/cms/?q=investor_centre) or by contacting HPI's Share Registry on 1300 554 474.

Securityholders considering participation in the **DRP** should read the **DRP rules**, including the **FAQ sheet** enclosed with this invitation.

Please return your completed **DRP election form** in the business reply envelope should you wish to participate. To be eligible, your completed **Application Form** must be received by the Security Registrar on or before the election date for that Distribution (being 5pm on the Business Day after the relevant Record Date unless otherwise determined and announced on **ASX**).

HPI will release an announcement via the **ASX** regarding the next distribution in due course.

I would also like to take this opportunity to encourage you to receive all correspondence via email in order to help the environment and reduce printing costs. This method of communication also removes postal delays and reduces the risk of loss or theft. You can alter your communication preferences via the Share Registry website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or return the email collection form in the business reply envelope.

Yours sincerely



**Michael Tilley**  
**Chairman**  
**Hotel Property Investments Limited**

**Full Name(s) of Registered Holding**

**Account Designation**

**Registered Address**

**Postcode**

**Securityholder Reference Number (SRN)  
 Or Holder Identification Number (HIN)**

**A REINVESTMENT PLAN APPLICATION OR VARIATION**

Please use a **BLACK** pen. Print **CAPITAL** letters inside the shaded areas.

A	B	C
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1	2	3
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Where a choice is required, mark the box with an 'X'

X
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This form is to be completed where the securityholder wishes to have their payments reinvested under the rules of the Reinvestment Plan.

I/We being the above named holder of registered securities wish to participate in the Plan as indicated below.

I/We authorise the application of the payment to me/us with respect to the number of securities participating in the Plan at the price and subject to the rules of the Plan.

I/We hereby agree to be bound by the rules of the Plan in subscribing for additional securities.

I/We acknowledge that I/we may vary or cancel my/our participation in the Plan, in accordance with the rules of the Plan. This will cancel any earlier Plan instructions and take priority over any direct credit instructions.

Degree of Participation (cross appropriate box):

<input type="checkbox"/>	<b>FULL PARTICIPATION</b>	– Including any further acquisitions.
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or

<input type="checkbox"/>	<b>PARTIAL PARTICIPATION</b>	– Please specify the number of securities to participate in the Plan						
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**B SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary/Director (delete one)

Joint Securityholder 2 (Individual)

Director/Company Secretary (delete one)

Joint Securityholder 3 (Individual)

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**Signing Instructions:** This form should be signed by the securityholder. If a joint holding, all securityholders should 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) (or for New Zealand companies, the *Companies Act 1993*).

**Personal Information Collection Notification Statement:** Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.



**Full Name(s) of Registered Holding**

  


**Account Designation**

**Registered Address**

  
  

<b>Postcode</b>	<input type="text"/>
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**Securityholder Reference Number (SRN)  
 Or Holder Identification Number (HIN)**

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**GO ONLINE AND GO GREEN TO HELP THE ENVIRONMENT**

Everyone benefits from electronic communications. As an investor you will benefit from secure, convenient and prompt delivery of information by electing to receive your communications electronically which helps reduce the impact on the environment and costs associated with printing and sending materials by mail.

To receive your communications electronically via your nominated email address you can log on to the website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or scan the QR code and follow the instructions provided. Alternatively please insert your email address in the space provided and return the form.



If you do not take any action you will continue to receive your communications (including the annual report, if applicable) by post.

**My email address is:**

**Personal Information Collection Notification Statement:** Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.



## HPI – DRP Frequently Asked Questions

### **What is the distribution reinvestment plan?**

Under the Plan, you may elect to have distributions made on some or all of your HPI Stapled Securities automatically reinvested in additional HPI Stapled Securities.

### **Can I participate?**

You are eligible to participate in the Plan if your address on the HPI security register is in Australia or New Zealand.

### **How do I participate?**

You may elect to participate by completing the Application Form that accompanies this booklet, specifying whether you wish to participate in full or in part, and returning the Application Form to the Security Registrar.

If you elect to participate in full in the Plan, then all Stapled Securities held by you at the relevant Record Date for the relevant distribution will be treated as participating in the Plan. If you choose partial participation, only the specific number of Stapled Securities nominated will participate in the Plan.

### **Do I have to participate?**

No, participation is entirely optional.

### **Is there a discount?**

The Administrators will determine for each distribution whether or not a discount will be applied to the Plan. The discount, if any, will be announced to ASX at the time the relevant distribution is announced to ASX.

### **Will these Stapled Securities be the same as my existing Stapled Securities?**

Yes, Stapled Securities allotted or transferred under the Plan rank equally in all respects with existing Stapled Securities from the date of allotment.

### **What will the Subscription Price be?**

Stapled Securities will be allotted or transferred at the daily volume weighted average market price of all HPI Stapled Securities traded on the ASX during the first 20 Trading Days on and from the first date the Stapled Securities trade on the ASX on an ex-entitlement basis in respect of the relevant Distribution, less any applicable discount.

### **How many Stapled Securities will I receive?**

The number of Stapled Securities to be allotted or transferred to each DRP Participant depends on the value of the distribution declared. The exact number of Stapled Securities will be the value of the distribution entitlement divided by the Subscription Price, rounded down to the nearest whole number of Stapled Securities.

### **Will I have to pay anything to participate in the DRP?**

No brokerage or other transaction/administration costs are payable by DRP Participants on Stapled Securities allotted

### **When can I find additional information?**

Additional information, including the DRP Rules can be obtained from the investor centre on the HPI website: [https://www.hpitrust.com.au/cms/?q=investor\\_centre](https://www.hpitrust.com.au/cms/?q=investor_centre)



## Distribution Reinvestment Plan

### **Hotel Property Investments**

(comprising Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ACN 010 330 515, AFSL 479719))

**Important Note:** Hotel Property Investments do not provide you with any investment, financial product or other professional advice. Hotel Property Investments encourages you to seek your own independent advice before making any financial decisions. Hotel Property Investments is not licensed in Australia to provide financial product advice in relation to any securities in Hotel Property Investments (or any other type of financial product).

## Summary of the Plan

The Plan provides Securityholders with a convenient method of reinvesting all or a part of their dividends and distributions (whether income or capital) in additional Stapled Securities.

### Key features of the Plan

- Participation in the Plan is entirely optional.
- If you elect to participate in the Plan in part or in full, your cash Distribution for those securities participating in the Plan will be automatically reinvested in new Stapled Securities.
- These new Stapled Securities will be issued or transferred at the Subscription Price less any Discount, within the timeframe prescribed by the ASX Listing Rules.
- You may vary your participation or withdraw from the Plan at any time.

However if you wish to withdraw your participation for a particular Distribution, your completed Application Form must be received by the Security Registrar on or before the record date for that Distribution.

You may sell any of your Stapled Securities, including those obtained under the DRP, at any time.

The Plan will be administered for the Company by its directors and for the Trust by the Responsible Entity.

Some of the specific features of the Plan are now explained in more detail. The Rules are set out on pages 1 to 10.

### Eligibility

All Securityholders whose registered address is in Australia or New Zealand are eligible to participate in the Plan. Securityholders whose registered address is outside Australia or New Zealand may not participate in the Plan.

### How to join the Plan

If you wish to participate in the Plan, please complete and sign the Application Form that accompanies this booklet, specifying whether you wish to participate in full or in part, and return the Application Form to the Security Registrar. If you elect for part participation, you will have to nominate the number of your Stapled Securities that are to participate in the Plan.

You may join the Plan at any time, but if you wish to participate in the Plan for a particular Distribution, your completed Application Form must be received by the Security Registrar on or before the election date for that Distribution (being the Business Day after the relevant Record Date unless otherwise determined and announced on ASX).

### Level of participation

Securityholders may elect to participate in the Plan in respect of all or part of their Stapled Security holding and, subject to the terms of the Plan, may vary the level of participation or withdraw from the Plan by completing a Notice of Variation and returning it to the Security Registrar. Stapled Securities issued or transferred under the Plan will be deemed to participate in the Plan for the purposes of future Distribution payments.

### Entitlement

Subject to the Rules of the Plan, cash Distributions on participating Stapled Securities (net of any tax withheld) will be used to purchase the maximum whole number of new or existing Stapled Securities at the Subscription Price. Any residual balance left over will either be:



- carried forward to the next Distribution and added to that Distribution entitlement in determining the number of additional Stapled Securities to be issued or transferred under the Plan; or
- paid to the DRP Participant.

If the DRP Participant ceases to participate in the Plan or the Plan is suspended or cancelled, any residual balance will be donated to a registered charity nominated by the Board or retained by Hotel Property Investments (and Participants will not be issued with a receipt for such a donation).

No interest will accrue in respect of residual balances.

### **Statements**

Each DRP Participant will be sent a statement as at each Distribution payment date, giving details of the DRP Participant's participation in the Plan.

### **Stapled Securities issued or transferred under the Plan**

Stapled Securities issued or transferred under the Plan will rank equally in every respect with existing issued fully paid Stapled Securities and will participate in the Plan in respect of subsequent Distributions unless varied by the provision of a Notice of Variation by the DRP Participant.

### **Sales of Stapled Securities**

Stapled Securities participating in the Plan or Stapled Securities issued or transferred under the Plan may be sold at any time. Should you sell any participating Stapled Securities before the Record Date, you should inform your broker that the Stapled Securities are not participating in the Plan. You should also immediately send a Notice of Variation to the Security Registrar withdrawing those Stapled Securities from the Plan.

Participating Stapled Securities sold after the Record Date for a relevant Distribution will remain subject to the Plan for that Distribution unless participation in the Plan is altered or withdrawn by the DRP Participant providing a Notice of Variation which is received by the Security Registrar on or prior to the Record Date.

### **Costs**

There are no brokerage or other transaction costs payable on Stapled Securities issued or transferred under the Plan.

### **ASX listing**

Application will be made for ASX quotation of the Stapled Securities issued under the Plan within the time required by the Listing Rules.

### **Taxation**

For Australian income tax purposes, Distributions reinvested into new Stapled Securities under the Plan should be treated in the same way as if you had received those Distributions in cash. Thus, DRP Participants may be subject to income tax in respect of the reinvested Distributions. In addition, Stapled Securities acquired under the Plan may be subject to income tax or capital gains tax when they are sold, depending on your circumstances.

The Distributions used to purchase new Stapled Securities under the Plan are net of any applicable Australian withholding taxes.

You will receive an annual tax statement providing details of the taxable components of your Distribution and details of any withholding tax paid, to assist you in preparing your annual income tax returns.

The Administrators do not provide advice on the taxation liabilities of Securityholders and recommend you seek independent professional advice on the tax implications of participating in the Plan, based on your own particular circumstances.

### **Stapling**

The Plan will only operate while Stapling applies.

Dividends on Shares and distributions (whether income or capital) on Units will be pooled for the purposes of calculating a DRP Participant's entitlement to additional Stapled Securities under the Plan.

### **Variation of the Plan**

The Administrators have the right to modify, vary, suspend or terminate the Plan at their discretion subject to the Plan Rules.

### **Further information**

Further information concerning the operation of the Plan can be obtained from:

Security Registrar  
Link Market Services  
Tower 4, 727 Collins Street  
Docklands VIC 3008 Australia

OR

Company Secretary  
Hotel Property Investments  
Level 17, IBM Centre, 60 City Road  
Southbank VIC 3006 Australia

A copy of the following documents is available free of charge from [www.hpitrust.com.au](http://www.hpitrust.com.au) or by contacting the Security Registrar at the address noted above:

- the most recent annual report and financial statements; and
- any current disclosure document relating to Stapled Securities.

You should read the Rules of the Plan set out on pages 1 to 10 in conjunction with this summary.

In the event of any inconsistency between the Rules of the Plan and this summary, the Rules of the Plan will prevail. If in doubt, please consult your financial or other professional adviser before deciding whether or not to participate. An acquisition of Stapled Securities issued or transferred under the Plan may not be an acquisition exempt from section 606 of the Corporations Act or its successor.

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## Distribution Reinvestment Plan Rules

### Hotel Property Investments

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#### 1. Interpretation

##### 1.1 Definitions

The following definitions apply in this document:

**Administrators** means the administrators of the DRP, being the Board in relation to the Shares, and the Responsible Entity in relation to the Units.

**ASX** means ASX Limited or the stock market operated by ASX Limited (as the context requires).

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the directors of the Company from time to time.

**Company** means Hotel Property Investments Limited (ACN 010 330 515).

**Constitutions** means the constitution of the Company and the trust deed of the Trust.

**Discount** means the discount, expressed as a percentage, to the Subscription Price, as determined by the Administrators.

**Distribution** means a dividend in respect of a Share and a distribution (whether income or capital) in respect of a Unit.

**DRP or Plan** means the distribution reinvestment plan of Hotel Property Investments, which has been agreed and implemented by the Company and the Trust as a Stapled Security reinvestment plan constituted by these rules.

**DRP Account** means an account established and maintained under rule 5.

**DRP Participant** means an eligible Securityholder with Stapled Securities participating in the DRP.

**DRP Securities** means a Stapled Security that is a DRP Security under rule 4.5.

**Eligible Distribution** means a dividend declared by the Board in respect of Shares, and a distribution (whether income or capital) declared by the Responsible Entity in respect of Units, which the Administrators declare to be an eligible distribution for the purposes of the DRP.

**Hotel Property Investments** comprises the Company and the Trust.

**Notice of Variation** means a form of notice approved by the Administrators from time to time by which a Participant may vary or cancel participation in the Plan.

**Record Date**, in relation to an Eligible Distribution, has the meaning given to that term in the ASX Listing Rules.

**Register** means the register of Securityholders of Hotel Property Investments.

**Responsible Entity** means Hotel Property Investments Limited (ACN 010 330 515) in its capacity as Responsible Entity of the Trust.

**Securityholder** means the registered holder of a Stapled Security.

**Share** means a fully paid ordinary share in the Company.

**Security Registrar** means the security registrar for Hotel Property Investments.

**Shareholder** means a holder of Shares.

**Subscription Price** means the average of the daily price average of the daily volume weighted average price of all sales of Stapled Securities recorded on ASX for each of the first 20 ASX

Trading Days on and from the first date the Stapled Securities trade on the ASX on an entitlement basis in respect of the relevant Distribution (unless the Administrators believe that this calculation does not provide a fair reflection of the market price of the Stapled Securities during this period in which event there shall be substituted for the amount so calculated the market price of the Stapled Security as determined by an expert independent of the Administrators whose identity and instructions will be determined by the Administrators), less any Discount.

**Stapled Security** means a Share and a Unit in their legal capacity as separate securities but which are traded together following Stapling.

**Stapling** means where each Share and Unit is stapled together to form a Stapled Security, as a consequence of being quoted together on an official stock exchange so that one security may not be dealt with without the other being dealt with in an identical manner and at the same time, and with such restriction on dealing being denoted on the register of each security.

**Trust** means Hotel Property Investments Trust (ARSN 166 484 377).

**Unit** means a unit in the Trust.

## 1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to "trading day" or "business day" has the same meaning as in the ASX Listing Rules.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), for example by saying it includes something else, the example does not limit the scope of that thing.

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## 2. Commencement of DRP

The DRP operates on and from the date decided by the Administrators and notified to Securityholders.

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## 3. Entitlement to participate

### 3.1 Participation optional

Subject to rules 3.2 and 7, each Securityholder may participate in the DRP at the Securityholder's option.

### 3.2 Foreign jurisdictions

Any Securityholder having a registered address or being resident in a country other than Australia or New Zealand on the Record Date for an Eligible Distribution will not be eligible to participate in the DRP.

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## **4. Applying to participate**

### **4.1 Participation**

- (a) Subject to rule 4.2, a Securityholder may apply to participate in the DRP in respect of some or all of his or her Stapled Securities by giving written notice to the Security Registrar in the form prescribed by the Administrators. Each separate holder or combination of joint holders of Stapled Securities whose name appears in the Register is taken to be a separate Securityholder for the purposes of this rule.
- (b) Participation in the DRP may be either:
  - (i) Full participation for the whole of the Securityholder's holding from time to time however acquired (including Stapled Securities issued or transferred under the DRP); or
  - (ii) Part participation for a nominated number of that Securityholder's Stapled Securities (together with the Stapled Securities issued or transferred under the DRP). If at the record date for a Distribution the number of Stapled Securities held by the DRP Participant is less than the nominated number, then the DRP will apply only to such lesser number for that Distribution.
- (c) The Administrators may in respect of a Distribution specify a minimum and/or maximum limit on the number of Stapled Securities for participation in the DRP (as determined by the Administrators from time to time). If:
  - (i) the minimum limit (if any) is not met, the DRP Participant's Distribution will be paid to the DRP Participant; and
  - (ii) the maximum limit (if any) is exceeded, the Administrators may scale back on a pro-rata basis each DRP Participant's participation in the DRP in respect of that Distribution. Where a scale back applies, any amount of a DRP Participant's Distribution which is not reinvested under the DRP will be paid to the DRP Participant.
- (d) Stapled Securities issued or transferred under the DRP will be deemed to participate in the DRP for the purpose of future Distribution payments.
- (e) Election forms in respect of a Securityholder's holding which are duly signed, but which do not indicate the degree of participation selected, shall be deemed to be applications for full participation.
- (f) The Administrators' records of the level of a Securityholder's participation and the number of Stapled Securities subject to the DRP will be conclusive evidence of the matters so recorded.

### **4.2 Separate holding accounts**

If a Securityholder is shown in the Register as holding more than one parcel of Stapled Securities and has been allocated a unique securityholder identification number for each of those parcels:

- (a) a separate application is required for each of those parcels; and
- (b) these rules apply as if each of those parcels were registered in the name of a separate Securityholder (and, in the case where the Securityholder's application in relation to a parcel is approved by the Security Registrar under rule 3, a separate DRP Participant).

### 4.3 Effect of application

By applying to participate in the DRP in accordance with rules 3 and 4, the Securityholder:

- (a) represents to Hotel Property Investments that it is an Eligible Securityholder;
- (b) authorises Hotel Property Investments (and its officers or agents) to correct any error in, or omission from, the Securityholder's DRP Election Form or any later Notice of Variation;
- (c) acknowledges that Hotel Property Investments may at any time irrevocably determine that the Securityholder's DRP Election Form is valid, in accordance with these Rules, even if the DRP Election Form is incomplete, contains errors or is otherwise defective;
- (d) acknowledges that Hotel Property Investments may reject any DRP Election Form;
- (e) acknowledges any Discount may be different from one Distribution to the next;
- (f) acknowledges that none of the Directors, Hotel Property Investments or the Share Registry has provided the applicant with investment advice or financial product advice and that none of the above has any obligation to provide any advice concerning the applicant's decision to apply to participate in the Plan; and
- (g) agrees to be bound by each of the Constitutions in respect of all Stapled Securities issued or transferred to the Securityholder under the DRP.

### 4.4 Applications

- (a) Subject to paragraph (b), applications to participate in the DRP will be effective on receipt by the Security Registrar subject to approval by the Administrators (which may be withheld in any case in the absolute discretion of the Administrators) until:
  - (i) The Securityholder varies or terminates participation in the DRP under these Rules;
  - (ii) The Administrator suspends the DRP under rule 8;
  - (iii) The Administrator terminates the DRP under rule 9; or
  - (iv) The Shares and Units are de-stapled.
- (b) A notice of application to participate which is received by the Security Registrar after 5.00 pm (AEST) on the business day after the Record Date for an Eligible Distribution (or such other time set by the Administrators) is not effective for that Eligible Distribution, but takes effect in respect of the next Eligible Distribution.
- (c) The Security Registrar has no obligation to correct an invalid application on behalf of any Securityholder.

### 4.5 DRP Securities

Subject to rules 4.6, 5.9, 5.12 and 7:

- (a) if a DRP Participant indicates in his or her application (or most recent Notice of Variation given under rule 7.1(a)(i)) that:
  - (i) all the Stapled Securities registered in his or her name are to participate in the DRP, all the Stapled Securities registered in the name of that DRP Participant at or after the DRP Participant's application was approved by the Administrators (or receipt by the Security Registrar of the Notice of Variation) are DRP Securities;



- (ii) only some of the Stapled Securities registered in his or her name are to participate in the DRP, subject to paragraph (b), the number of Stapled Securities specified in the DRP Participant's application (or Notice of Variation) and any Stapled Securities issued or transferred to the DRP Participant under the DRP after the DRP Participant's application was approved by the Administrators (or receipt by the Security Registrar of the Notice of Variation), are DRP Securities;
- (b) if the number of Stapled Securities registered in the name of a DRP Participant on any Record Date for an Eligible Distribution is less than the number of Stapled Securities that are DRP Securities of the DRP Participant as determined under rule 4.5(a)(ii), all the Stapled Securities registered in the name of the DRP Participant on that Record Date are DRP Securities.

#### **4.6 Incomplete or incorrect notices**

- (a) A notice received by the Security Registrar from a Securityholder, which indicates participation in the DRP in respect of a number of Stapled Securities in excess of the number of Stapled Securities held by the Securityholder giving the notice, will be deemed to be an election to participate in respect of all of the Stapled Securities registered in the name of the relevant Securityholder.
- (b) A notice received by the Security Registrar from a Securityholder, which does not indicate the degree of participation in the DRP may, without notice to the Securityholder and at the discretion of the Administrators, either be rejected or deemed by the Security Registrar to be an election for full participation in respect of all of the Stapled Securities registered in the name of that Securityholder. Neither the Administrators nor the Security Registrar are liable to any Securityholder for any loss, damage or claim in respect of either the Securityholder's participation or non-participation in the DRP, as the case may be, pursuant to the exercise or manner of exercise by the Administrators of such discretion.

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## **5. Operation of DRP**

### **5.1 Establish and maintain DRP Account**

The Administrators must establish and maintain a DRP Account in respect of each DRP Participant.

### **5.2 Eligible Distribution**

The DRP applies only in respect of DRP Securities of a DRP Participant on which an Eligible Distribution is payable.

### **5.3 Issue or transfer**

The Administrators may, in their discretion, either issue new Stapled Securities or cause existing Stapled Securities to be acquired in the market for transfer to DRP Participants, or a combination of both options, to satisfy the Administrators' obligations under this DRP.

### **5.4 Reinvestment procedure**

Subject to this rule 5, in respect of each Eligible Distribution, the Administrators must:

- (a) calculate the amount of the Eligible Distribution payable to each DRP Participant on the Securityholder's DRP Securities;
- (b) calculate (if applicable) the Australian withholding tax payable in respect of that Eligible Distribution in relation to the Securityholder's DRP Securities;

- (c) credit the amount calculated under paragraph (a) and debit the applicable withholding tax (if any) calculated under paragraph (b) to the DRP Participant's DRP Account;
- (d) calculate the number of Stapled Securities to be issued or transferred to the DRP Participant in accordance with rule 5.6;
- (e) on behalf of and in the name of the DRP Participant, subscribe for or agree to be transferred that number of Stapled Securities and debit the DRP Participant's DRP Account with the total Subscription Price for those Stapled Securities;
- (f) issue or transfer that number of additional Stapled Securities to the DRP Participant in accordance with rule 5.8; and
- (g) retain in the DRP Account any balance remaining after the debit referred to in paragraph (e).

### **5.5 Interest not accrued**

In relation to each Distribution, the amount of a DRP Participant's Distribution on participating Stapled Securities not reinvested in Stapled Securities (including amounts representing a fraction of a Stapled Security), subject to the proper withholding of any tax or other amounts, at the election of the Administrators, will either be:

- (a) recorded as a residual positive balance in the DRP Account and will be carried forward to the next Distribution (no interest will accrue in respect of any residual positive balance); or
- (b) subject to rule 7.3, paid to the DRP Participant without interest.

### **5.6 Number of Stapled Securities to be issued or transferred**

Subject to the discretion of the Administrators, the number of Stapled Securities to be issued or transferred to each DRP Participant in relation to an Eligible Distribution will be the whole number equal to, or where not a whole number, the nearest whole number below the number calculated in accordance with the following formula (**NS**):

$$NS = \frac{D - T + R}{C}$$

Where,

**D** is the amount of the Distribution payable on the DRP Participant's participating Stapled Securities as at the record date for that Distribution;

**T** is the withholding tax or other amounts to be withheld in relation to such Stapled Securities;

**R** is the residual positive balance carried forward in the DRP Participant's DRP Account after the steps in paragraphs (a), (b) and (c) of rule 5.4 have been completed (inclusive of any balance standing to the credit of the DRP Participant's DRP Account before those steps were commenced); and

**C** is the Subscription Price.

### **5.7 Subscription Price**

The Subscription Price of the Stapled Securities under the Plan will be equal to **C** in rule 5.6, which will be broken into two components as follows:

- (a) the price of the Shares to be issued or transferred under the Plan will be determined by the Board as a component of the Subscription Price of the Stapled Securities; and

- (b) the price of the Units to be issued or transferred under the Plan will be determined by the Responsible Entity as a component of the Subscription Price of the Stapled Securities.

The determination of the price of the Stapled Securities will be binding on all DRP Participants.

## **5.8 Issue or transfer and quotation of Stapled Securities**

The Stapled Securities to be issued or transferred under the DRP must be issued or transferred (as applicable) and fully paid up as soon as practical after the relevant distribution payment date (and, in any event, within the time period required by the ASX Listing Rules).

In the case of issued Stapled Securities, the Administrators must promptly (and, in any event, within the time period required by the ASX Listing Rules) make application for those Stapled Securities to be quoted on ASX.

## **5.9 Appointment of trustee**

By applying to participate in the DRP, an applicant agrees to the appointment of a trustee nominated by the Administrators as the agent of the Administrators to acquire Stapled Securities on market, where the Administrators decide to transfer Stapled Securities to DRP Participants in accordance with rules 5.3 and 5.4.

## **5.10 Underwriting**

The Administrators have the discretion to have any issue or acquisition of Stapled Securities under the DRP underwritten.

## **5.11 Constitutions prevail**

Despite anything contained in these rules, neither Hotel Property Investments nor the Administrators have any obligation to issue or transfer Stapled Securities to a DRP Participant if to do so would or might (in the opinion of the Administrators) result in a breach of either or both of the Constitutions. If this rule applies in relation to a DRP Participant, Hotel Property Investments must pay the amount standing to the credit of his or her DRP Account, after the steps in paragraphs (a), (b) and (c) of rule 5.3 have been completed, to the DRP Participant on the relevant distribution payment date, and must not issue or transfer (as applicable) any Stapled Securities to the DRP Participant under the DRP.

## **5.12 Stapled Securities which may not participate in the DRP**

Despite anything contained in these rules, Hotel Property Investments need not issue or transfer any Stapled Securities to a DRP Participant if:

- (a) Hotel Property Investments is, or would be, entitled to retain all or part of the Eligible Distribution which is, or would be, payable in respect of the DRP Participant's DRP Securities; or
- (b) Hotel Property Investments is, or would be, entitled to a charge or lien over any of the DRP Participant's DRP Securities or over any distribution payable in respect of those DRP Securities.

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## **6. Stapled Securities issued or transferred under the DRP**

### **6.1 Rights attaching to Stapled Securities**

Stapled Securities issued or transferred under the DRP rank from the date of issue or transfer (as applicable) equally in all respects with all other Stapled Securities.

## **6.2 Holding statements**

Hotel Property Investments must procure the Security Registrar to send a holding statement for Stapled Securities issued or transferred under the DRP to DRP Participants as soon as practical after the Stapled Securities are issued or transferred (and in any event within the period required by the ASX Listing Rules).

## **6.3 No brokerage or commission**

Hotel Property Investments must not charge brokerage, commission or other transaction costs on Stapled Securities issued or transferred under the DRP.

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## **7. Variation/withdrawal from DRP**

### **7.1 Variation or withdrawal by notice**

- (a) A DRP Participant may:
- (i) vary the number of his or her Stapled Securities participating in the DRP; or
  - (ii) cease participating in the DRP,
- by giving written notice to the Security Registrar of his or her decision to do so in the form prescribed by the Administrators.
- (b) Subject to paragraph (c), a notice given under paragraph (a) is effective from the time it is received by the Security Registrar.
- (c) A notice given under paragraph (a) which is received after the Record Date for an Eligible Distribution is not effective for that Eligible Distribution, but takes effect in respect of the next Eligible Distribution.

### **7.2 Death/bankruptcy of DRP Participants**

If a DRP Participant (or any of the joint holders that constitute a DRP Participant) dies or becomes bankrupt, the participation of that DRP Participant ceases when the Security Registrar receives notice of the death or bankruptcy, as the case requires.

### **7.3 DRP Accounts**

If:

- (a) a DRP Participant ceases to be a DRP Participant or a Securityholder for any reason; or
- (b) the DRP is terminated,

then, the DRP Participant will forego the residual balance outstanding and the residual balance will be donated to a registered charity nominated by the Board or retained by Hotel Property Investments (and Participants will not be issued with a receipt for such a donation).

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## **8. Suspension**

### **8.1 Suspension of the DRP**

The Administrators may suspend operation of the DRP in their absolute discretion.

### **8.2 Period of suspension**

Suspension under rule 8.1 takes effect from the date decided by the Administrators and continues until the Administrators resolve to recommence the DRP or terminate it. The date of suspension and the date of any recommencement of the DRP must be notified to Securityholders by Hotel Property Investments.

### **8.3 Recommencing operation of the DRP**

The Administrators may resolve to recommence operation of the DRP, following a suspension, on terms consistent with these rules.

### **8.4 Participation continues**

Subject to rule 7, each Securityholder who was a DRP Participant immediately before the suspension commenced is taken to continue to participate in the DRP when it recommences.

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## **9. Termination of the DRP**

The Administrators may resolve to terminate the DRP. The Administrators must notify Securityholders of the date of termination.

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## **10. Amendment to DRP**

### **10.1 Amendment**

The Administrators may amend or add to these rules (including the definition of **Subscription Price** in rule 1.1) as it thinks appropriate, on not less than one month's prior written notice to Securityholders, provided that the Administrators are of the opinion that the amendment or addition is not adverse to Securityholders.

The Administrators must notify Securityholders of any variation within three months after it is made.

### **10.2 Amendment does not affect participation**

Subject to rule 7, each DRP Participant is taken to continue to participate in the DRP as varied.

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## **11. Dispute resolution**

The Administrators may settle any difficulties, anomalies or disputes which arise in connection with, or because of, the operation of the DRP, in the manner it thinks expedient either generally or in relation to a particular Securityholder or Stapled Security. The decision of the Administrators is binding on all Securityholders.

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## **12. Notices from the Company**

A notice required by these rules to be given to Securityholders by Hotel Property Investments may be given in any manner which the Administrators consider appropriate including, but not limited to, by notice on Hotel Property Investments' website, by way of announcement to ASX or, at the Administrators' discretion, may be given in accordance with the provisions regarding the giving of notices to Securityholders contained in the Constitutions.

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## **13. Trading Rules**

### **13.1 Consistency with Trading Rules**

For so long as Hotel Property Investments remains admitted to the official list of ASX, despite anything else contained in these rules:

- (a) if the Trading Rules prohibit an act being done by Hotel Property Investments, the act shall not be done;
- (b) nothing contained in these rules prevents an act being done by Hotel Property Investments that the Trading Rules require to be done;
- (c) if the Trading Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

- (d) if the Trading Rules require these rules to contain a provision and they do not contain that provision, these rules are taken to contain that provision;
- (e) if the Trading Rules require these rules not to contain a provision and they contain that provision, these rules are deemed not to contain that provision; and
- (f) if any of these rules are or become inconsistent with the Trading Rules, these rules are to be taken not to contain that provision to the extent of the inconsistency.

### **13.2 Definition of Trading Rules**

In rule 13.1, **Trading Rules** means:

- (a) the ASX Listing Rules; and
- (b) the ASX Settlement Operating Rules (or other operating rules of a clearing and settlement facility that is a prescribed CS facility under the *Corporations Act 2001* (Cth)), as they apply to Hotel Property Investments for the time being.

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## **14. General**

### **14.1 Governing Law**

The DRP, its operation and these rules are governed by the laws of Victoria, Australia and New Zealand.

These DRP Rules have been prepared to comply with the requirements of the securities laws of Victoria, Australia and New Zealand.

Participation in the DRP is not being offered to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of participation is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). The DRP Rules have not been registered, filed or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). The DRP Rules are not a product disclosure statement under New Zealand law, and may not contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **14.2 Accidental omissions**

The accidental omission to give a Notice of Variation, suspension or termination, or the non-receipt of any notice by any Securityholder, does not invalidate the variation, suspension or termination (as the case may be).

### **14.3 Waiver**

Hotel Property Investments reserves the right to waive strict compliance with any of these rules.

### **14.4 Taxation**

Neither the Company, the Administrators nor their respective directors, officers, employees, representatives or agents make any representations or warranties in respect of, and accepts no liability for, the liability of any Securityholders to pay income tax in respect of any issue of Stapled Securities pursuant to the DRP.

## **Corporate Directory**

### **Hotel Property Investments**

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Southbank VIC 3006 Australia

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### **Share Registry**

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Docklands VIC 3008 Australia

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### **Custodian**

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123 Pitt Street

Sydney NSW 2001 Australia

### **Auditor**

KPMG

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### **Responsible Entity**

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Southbank VIC 3006 Australia

### **Company Secretary**

Hotel Property Investments Limited

Blair Strik