

Hotel Property Investments Limited

Code of Conduct

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TABLE OF CONTENTS

Page no.

1	INTRODUCTION	3
1.2	Who does this Code apply to?.....	3
1.3	Where can Employees get a copy of this Code?.....	4
1.4	Adherence to this Code and reporting.....	4
2	OBJECTIVES	4
3	FUNDAMENTAL PRINCIPLES	4
3.1	Honesty, Integrity and Fairness.....	5
3.2	Responsibilities to Securityholders and Financial Markets.....	6
3.3	Compliance with laws, policies and procedures.....	7
3.4	Relationship with politicians and government officers.....	8
3.5	Confidential information, privacy, and maintenance of business records.....	9
3.6	Conflicts of interest.....	9
3.7	Engaging external personnel.....	10
3.8	Use of Company resources and information systems.....	10
3.9	Sustainability.....	11

1 INTRODUCTION

Hotel Property Investments Limited in its personal capacity and as the Responsible Entity of the Hotel Property Investment Trust (“**Trust**”) ARSN 166 484 377 (“**Company**”) is committed to making positive economic, social and environmental contributions, while complying with all applicable laws and regulations and acting in a manner that is consistent with the principles of honesty, integrity, fairness and respect. The Company seeks to achieve these objectives by setting clear standards against which to guide its decision making.

The board of directors of the Company (“**Board**”) has adopted this Code to provide a set of guiding principles which are to be observed by all of the Company’s personnel (including directors, officers and employees (“**Employees**”). The Board will keep this Code under review to ensure that it continues to evolve and reflect stakeholder and community expectations.

All Employees are expected, at all times, to act consistently with the fundamental principles of the Company as set out in this Code. All Employees are expected to:

- (a) Work diligently, act in good faith, and act in the best interests of the Company and members of the Trust.
- (b) Promote and protect the business, reputation, general interests and welfare of the Company and Trust, and promote the values of the Company.
- (c) Comply with all applicable local, national and international laws.
- (d) Respect and preserve confidentiality.
- (e) Refrain from misusing any information, assets, systems or facilities of the Company and the Trust, including email and internet facilities, and ensure that these facilities are not used to access or distribute illegal, offensive or otherwise inappropriate material, or for any other purpose which may damage the reputation of the Company.
- (f) Value, promote and maintain professionalism.
- (g) Avoid conflicts of interest with the Company, and advise the Company of any conflict or potential conflict of interest.
- (h) Assist the Company in operating ethically, complying with the law and making positive economic, social and environmental contributions to the communities in which the Company and the Trust operate.
- (i) Minimise environmental impacts and maximise workplace safety.
- (j) Show fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with tenants, suppliers and the public.
- (k) Endorse and support diversity in the Company's employment practices.
- (l) Avoid any form of discrimination, bullying, harassment or other inappropriate workplace behaviour, and take action to prevent or stop these behaviours if demonstrated by others.
- (m) Comply with all applicable Company policies and procedures.
- (n) Promote the Company's values in the performance of their duties.

1.2 Who does this Code apply to?

This Code applies to all Employees.

This Code applies to Employees whenever Employees are identified as a representative of the Company. In some circumstances, this will include times when Employees are outside of their workplace or working hours.

Contractors, consultants, agents and other intermediaries of the Company are also expected to know and observe the Company's standards and must be made aware of this Code.

1.3 Where can Employees get a copy of this Code?

A copy of this Code can be found on the Company's website.

1.4 Adherence to this Code and reporting

This Code has the full support of the Board and the Company and each takes compliance with this Code seriously. As a measure of accountability, compliance with this Code is monitored by the Responsible Entity Compliance Committee on behalf of the Board.

If Employees breach this Code, they may face disciplinary action, including termination of their employment or engagement. If the situation involves a breach of law or other regulation, the matter may also be referred to an appropriate law enforcement authority.

All Employees have a responsibility to immediately report any breaches of this Code by a colleague to their immediate supervisor, and Employees should also report conduct where they are unsure whether a breach of this Code has occurred. All reports will be kept confidential and no person will be disadvantaged or prejudiced by reporting in good faith a breach or suspected breach of a law, regulation, or provision of this Code. The Corporations Act 2001 (Cth) ("**Corporations Act**") also gives special protection to disclosures about breaches of that Act, as long as certain conditions are met.

2 OBJECTIVES

The Company's primary objective is to provide a satisfactory return to its Securityholders

The Company aims to achieve this by:

- (a) Providing a fulfilling and safe work environment for employees, rewarding good performance, and providing opportunities for advancement within the Company.
- (b) Contributing to the growth and prosperity of the communities where the Company and the Trust operates, by conducting existing operations in an efficient manner and by seeking opportunities for growth that will generate and sustain Securityholder value.
- (c) Responding to the reasonable and legitimate expectations of other stakeholders and of the communities in which the Company and the Trust operates.
- (d) Placing a strong emphasis on protection of the environment in the Company's and the Trust's operations.
- (e) Acting with honesty and integrity in dealings both inside and outside the Company and the Trust.

3 FUNDAMENTAL PRINCIPLES

All Employees are expected at all times to act consistently with the fundamental principles of the Company and the Trust, including ethical behaviour, honesty, integrity and respect. These principles are described in this Code and are categorised as follows:

- (a) Honesty, integrity and fairness.
- (b) Responsibilities to Securityholders and financial markets.
- (c) Compliance with laws, policies and procedures.
- (d) Relationship with politicians and government officers.

- (e) Confidential information, privacy and maintenance of business records.
- (f) Conflicts of interest.
- (g) Engaging external personnel.
- (h) Use of the Company's and the Trust's resources and information systems.
- (i) Sustainability.

3.1 Honesty, Integrity and Fairness

Honesty, integrity and fairness are integral to the way in which the Company's and the Trust's businesses operate and should guide all Employees in their decision making. These values are expected of all Employees in order to maintain the trust of their colleagues, the community and Securityholders.

Honesty and integrity also extends to reporting the suspicious or dishonest conduct of a colleague.

Personnel must display honesty, integrity and fairness by abiding by the following principles:

- (a) Comply with and uphold all laws against bribery and related improper conduct in all jurisdictions where the Company and the Trust operates.
- (b) Do not use funds, property, information or information systems belonging to the Company the Trust for personal benefit, or the benefit of unauthorised third parties.
- (c) Accurately document all business dealings to reflect the true nature of the transaction. Expenditure must be reported accurately and in a timely manner.
- (d) Do not offer, provide or accept gifts or hospitality in circumstances which could be considered to give rise to undue influence. Gifts must be recorded in accordance with the anti-bribery obligations contained in this Code.
- (e) Ensure that any engagement with public departments or other government officials on the Company's and the Trust's behalf is done on an arm's length basis.
- (f) Do not make political donations at a business level (these must be authorised by the Board).

The Company's and the Trust Securityholders and the communities in which the Company and the Trust operates expects the Company and the Trust and those who work for and represent it to act in a professional manner.

Personnel must maintain their professionalism, and the reputation of the Company and Trust, by:

- (a) Undertaking their duties with care and diligence, seeking to achieve excellence in their roles.
- (b) Being accountable for their decisions and actions.
- (c) Dealing fairly with all of the Company's and the Trust's tenants, suppliers, competitors and any other third parties or business partners.
- (d) Using the Company's and Trust's information systems, including email, messaging and internet access for proper purposes.
- (e) Acting in a manner that takes into account the Company's and the Trust's impact on the broader community and the environment.

3.2 Responsibilities to Securityholders and Financial Markets

An important part of achieving the Company's primary objective of delivering satisfactory Securityholder returns is to ensure that the Company complies with its disclosure, financial reporting and other Corporations Act and Australian Securities Exchange ("**ASX**") Listing Rules obligations.

(a) *Stapling*

The Company has entered into a stapling deed as responsible entity of Hotel Property Investments Trust ARSN 166 484 377 ("**Trust**") pursuant to which the shares in the Company are stapled to the units in the Trust and, upon listing on the ASX, quoted together as a single stapled security.

While the stapling arrangements are in force, notwithstanding anything in this document but subject to the Corporations Act, the directors of the Company must have regard to the interests of the stapled group and holders of the stapled securities as a whole and not only the interests of the Company and its shareholders.

(b) *Continuous disclosure*

To enable the Company to comply with its disclosure obligations under the Corporations Act and ASX Listing Rules, a continuous disclosure policy ("**Continuous Disclosure Policy**") has been developed to ensure that:

- (i) the Company's and Trust's Securityholders and the market are provided with full and timely information about the Company's and the Trust's activities;
- (ii) media contact is limited to designated Employees so that there is no selective or inadvertent disclosure of material price-sensitive information relating to the Company and the Trust; and
- (iii) stakeholders have equal access to information issued by the Company and RE.

Persons identified as part of the Company's and Trust's reporting system in the Continuous Disclosure Policy are responsible for identifying and reporting potentially price sensitive information in accordance with that Policy.

Employees must immediately report to the designated compliance officer or his or her deputy any actual or potential price sensitive information relating to the Company and the Trust, being information that is not generally available and, if it were generally available, would have a material effect on the price or value of the Company's the Trust's securities.

Employees must not make comments that may affect the price of the Company's and Trust's securities.

The Continuous Disclosure Policy can be found on the Company's website.

(c) *Insider Trading*

The Company has developed a security trading policy to comply with its obligations under the ASX Listing Rules and promote compliance with the insider trading provisions of the Corporations Act ("**Security Trading Policy**").

Employees must not trade or communicate to others who might consider trading in the securities of the Company and the Trust, or companies engaged in transactions with the Company and the Trust, where in their position they have obtained information which is not public and could materially affect the price of those securities. Such trading, dealing or communicating to others who might trade is known as 'insider trading' and is prohibited under the Corporations Act. Penalties for contravening insider trading laws include criminal prosecution and civil liability, such as an obligation to pay compensation to anyone who suffered a loss as a result of the insider trading.

Employees cannot avoid the prohibition on insider trading by arranging for a family member or friend to deal in the Company's and Trust's securities. Employees or their associates must not give "tips" concerning price sensitive information to others.

The Company's and Trusts key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company and Trust, directly or indirectly are subject to further restrictions under the Security Trading Policy.

If any Employees are in doubt about whether they are free to deal in the Company's and the Trust's securities, they should seek the advice of the Managing Director before trading or dealing.

The Security Trading Policy can be found on the Company's website.

(d) *Financial Reporting*

The Company's accounting policies and procedures are governed by the Australian Accounting Standards. The Company must adhere to these standards and all other financial reporting requirements.

All Employees engaged in the Company's financial reporting processes are required to exercise diligence and good faith in the preparation of financial information, ensuring that this information is accurate and timely, and that it presents a true and fair view of the performance and position of the Company and the Trust.

3.3 Compliance with laws, policies and procedures

The Company is committed to operating in a manner consistent with the laws of the jurisdictions in which it operates.

All Employees must be familiar and comply with the applicable laws and regulations of the locations in which they work and the policies and procedures of the Company and the RE.

(a) *Competition and Consumer Laws*

The Company is committed to compliance with the Competition and Consumer Act 2010 (Cth) ("**CCA**"). The CCA has two main purposes:

- (i) to promote and maintain fair and open competition in the marketplace:
and

- (ii) to protect the position of consumers by requiring accurate information in the marketplace and fairness in business dealings where there is an inequality in bargaining power.

Any breach of the law can have serious consequences both for the Company and Trust and for the individuals involved. If there is anything inconsistent between the laws and regulations applying where Employees work and the Company's and the Trusts policies and procedures, then Employees must meet whichever sets the higher standard of behaviour. If Employees are unsure whether a particular law, policy or procedure may apply, they should raise the matter with their supervisor.

(b) *Anti-bribery*

Employees must comply with and uphold all laws against bribery and related conduct in all the jurisdictions where the Company and Trust operates, from time to time.

The Company requires that:

- (i) Employees must not offer or accept cash or other incentives, inducements or rewards in any form. This restriction also applies to consultants and contractors. In particular, payments to win business or to influence a business decision in the Company's and the Trust's favour (such as bribes, 'kick-backs' and similar payments) are strictly prohibited;
- (ii) all business dealings must be accurately documented to reflect the true nature of the transaction; and
- (iii) Employees must take all practical steps to ensure that third parties (agents, contractors, intermediaries or business partners) dealing with or on behalf of the Company do not engage in conduct that would contravene this Code or any laws. This includes, where required, ongoing oversight of the work of these third parties.

The payment or facilitation of bribes and other improper payments or benefits is not only a contravention of this Code; it is also prohibited by anti-bribery laws that have application in Australia and other countries. A breach of the anti-bribery requirements under this Code will be regarded as serious misconduct leading to disciplinary action, which may include termination of employment, and could also expose an individual to criminal and civil liability that could result in imprisonment or the imposition of a significant financial penalty.

(c) *Gifts and Gratuities*

The Company recognises that accepting or offering gifts or hospitality of moderate value is in accordance with usual business practice. The Company, however, prohibits the offering or acceptance of gifts or hospitality in circumstances which could be considered to give rise to undue influence. Gifts must be recorded in accordance with the anti-bribery obligations set out in this Code.

3.4 Relationship with politicians and government officers

All dealings with politicians and government officers which relate to the Company and its business activities must be conducted at arm's length and with the utmost professionalism, to avoid any perception of attempts to gain advantage.

The Company may choose to make donations to political parties because the Company believes this would enable any such parties to perform their functions better and to improve the democratic process.

Any political donations must be authorised by the Board and will be disclosed as required by law and recorded in the Company's and Trust's accounts. In particular, any donations above a level determined in federal legislation will be disclosed annually to the Australian Electoral Commission and will be published on that organisation's website.

3.5 Confidential information, privacy, and maintenance of business records

If Employees come across confidential information concerning the Company and the Trust which may include technical, strategic or financial information, commercial arrangements or intellectual property, such information must not be disclosed or misused to obtain a personal benefit or a benefit for another person. Employees must:

- (a) use confidential information solely for purposes of their duties in relation to the Company and Trust;
- (b) preserve the confidentiality of confidential information, and ensure that it is not disclosed, except on a need-to-know and confidential basis, to other Employees, or other authorised recipients on a confidential basis; and
- (c) not use or modify any confidential information for their own or a third party's interest or benefit.

Obligations with respect to confidentiality and privacy, whether it be with respect to personal information, information about suppliers or confidential information concerning the Company and the Trust, continue even after Personnel have left their employment or engagement with the Company.

The Company is committed to maintaining the confidentiality and security of information that it comes across in its dealings with tenants, suppliers and other third parties.

Employees must ensure that information is kept secure. This includes not sharing private or confidential information with other Employees, unless they need it to perform their work at the Company and the Trust. Confidential information should not be shared with those outside the Company and the Trust, unless authorised or required by law.

The Company is committed to complying with government legislation governing privacy of personal information obtained by the Company's and the Trust's businesses, and protecting and safeguarding the privacy of people who deal with the Company and the Trust.

Employees must ensure that they accurately and rigorously maintain all records relating to the Company's and Trust's business and operations to ensure compliance with legal obligations as well as to preserve documents of importance for business reasons.

3.6 Conflicts of interest

The personal interests of Employees should not conflict with their duties and obligations to the Company and Trust. This also extends to interests which a reasonable person would perceive as involving a conflict.

A conflict of interest may arise if Employees have a direct or indirect (through a family member, friend or associate) financial interest in a business that has commercial arrangements with the Company and the Trust.

Employees must manage conflicts of interest by:

- (a) disclosing any actual or perceived conflicts of interest to the Chairman or, in the case of a conflict applying to the Chairman, the chairman of the Audit and Risk Management Committee;
- (b) seeking approval from the Chairman or, in the case of a conflict applying to the Chairman, the chairman of the Board Audit and Risk Committee before accepting any outside business interests including non-Company work, business ventures, directorships (other than to a board of a non-trading family company), partnerships or other interests which have the potential to create a conflict of interest; and
- (c) keeping an arm's length relationship when dealing with tenants and suppliers.

The Company will maintain a register of conflicts of interest disclosed in accordance with section 3.6(a);

3.7 Engaging external personnel

From time to time the Company engages agents, contractors, consultants and other intermediaries ("**External Personnel**"). The Company will deal fairly and honestly with all External Personnel and ensure that all relationships with External Personnel are based on price, quality, service and reputation.

Employees who deal with, or are in a business relationship with, External Personnel are prohibited from accepting or soliciting any personal benefit that might compromise, or appear to compromise, an objective assessment of the products or services to be provided by External Personnel.

The Company is committed to the safe and ethical manufacture and supply of goods and services, and reserves the right not to do business with External Personnel who do not share and demonstrate this commitment.

A senior Employee may engage External Personnel, following satisfaction of the following criteria:

- (a) a thorough examination of the qualifications and reputation of the External Personnel has been conducted;
- (b) the proposed fee or remuneration arrangements with the External Personnel are on an arm's length basis and reasonable for the services to be provided. Incentive based payments in connection with the securing of business arrangements or transactions for the Company and Trust must be authorised by the Chairman, or if the Chairman is unavailable, the chairman of the Audit and Risk Management Committee;
- (c) where appropriate, a system of performance review against agreed standards (covering business conduct and commercial performance) has been established;
- (d) termination procedures are in place in the event of improper or ineffective performance or conduct by External Personnel; and
- (e) where appropriate, External Personnel have been made aware of, and accept, the principles outlined in this Code.

Improper conduct by External Personnel can expose the Company to legal liability or reputational damage. Employees who expressly or impliedly authorise or permit improper conduct by External Personnel may be exposed to personal criminal or civil liability.

3.8 Use of Company resources and information systems

Employees are required to use property, funds, facilities and services belonging to the Company and Trust for authorised purposes and not for personal benefit, or the benefit of

unauthorised third parties. The Company regards the unauthorised removal of equipment, supplies and other resources belonging to the Company and Trust as theft.

Personnel must ensure that material transactions or material disposals of the Company's and Trust resources are approved by Chairman, or if the Chairman is unavailable, the chairman of the Audit and Risk Management Committee, and accurately recorded in financial records.

(a) *Information Systems*

Email, the internet, facsimile, telephones and other Company and Trust information systems, like all other Company and Trust assets, must be used appropriately. Occasional personal use of Company and Trust information systems is permitted, provided that it does not interfere with the performance of work during working hours. Personnel must not use the Company's and Trust's information systems:

- (i) for personal gain;
- (ii) to release or distribute confidential information in an unauthorised manner; or
- (iii) to store, display or transmit illegal, objectionable or offensive material.

Employees are expected to comply with the requirements of this Code at all times when using social networking sites or other non-work related sites.

(b) *Cessation of Engagement*

Upon ceasing to be engaged by the Company, Employees must ensure that all books, records, documents and other resources of the Company and Trust (such as keys, security passes, computer equipment, mobile devices and corporate credit cards) are returned to the Company. Employees must also return all confidential information in their possession to the Company.

3.9 Sustainability

The operations of the Company and the Trust have little or no impact on the natural environment, however where it does, the Company and the Trust operates on the basis that compliance with all applicable local and national environmental protection laws is the minimum acceptable standard, with a constant goal of achieving a higher standard.