

**Hotel Property Investments Limited**

## **Security Trading Policy**

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## 1 Definitions

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**“Applicant”** means a Key Management Person applying to deal in securities during a Prohibited Period in accordance with section 9.1.

**“Approvals Officer”** means the Chairman, or a delegate, or an employee of the Company appointed to administer the Company’s Security Trading Policy.

**“associate”** includes:

- (a) a related body corporate; and
- (b) a Director or Secretary of a related body corporate.

**“ASX”** means Australian Securities Exchange.

**“Board”** means the board of directors of the Company.

**“Closed Period”** has the meaning given to that term in section 5.1.

**“Company”** means Hotel Property Investments Limited ACN 010 330 515.

**“dealing”** includes:

- (a) any application for acquisition or disposal **of any** securities;
- (b) entering into an agreement to apply for, acquire or dispose of any securities; and
- (c) the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of securities.

**“Designated Officer”** means:

- (a) in the case that the Chairman is applying to deal in securities, the Chairman of the Audit and Risk Management Committee of the Board; or
- (b) in the case of all other Key Management Personnel and Employees, the Chairman.

**“generally available”**, in relation to information, means any such information which:

- (a) is readily observable;
- (b) has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

**“Key Management Personnel”** (singular use **“Key Management Person”**) has the meaning given to that term in the ASX Listing Rules, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director.

**“Prohibited Period”** has the meaning given to that term in section 8.

**“related party”** includes:

- (a) a spouse or de facto spouse of a Key Management Person;
- (b) a parent, son or daughter of a Key Management Person;
- (c) an entity over which a person referred to above has control; or

(d) an entity over which two or more persons referred to above together have control.

**“Employees”** a person employed by the Company. It includes Directors and Officers of the Company.

**“Responsible Entity”** means the Company holding Australian Financial Services Licence 479719 authorising it to operate the Trust as registered managed investment scheme

**“securities”** includes:

- (a) ordinary shares;
- (b) partly paid shares;
- (c) preference shares;
- (d) hybrid securities;
- (e) stapled securities;
- (f) debentures;
- (g) legal or equitable rights or interests in (a) to (f) above; and
- (h) any derivatives including but not limited to options in respect of any of (a) to (f) above.

**“Securityholder”** means a holder of securities in the Company.

**“Trading Windows”** has the meaning given to that term in section 5.1.

**“Trust”** has the meaning given to that term in section 2.1.

## 2 Introduction

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- 2.1 The ordinary shares of the Company are stapled to units in Hotel Property Investments Trust ARSN 166 484 377 (**“Trust”**).
- 2.2 The stapled securities are listed on the ASX. The Company in its own capacity and that as Responsible Entity for the Trust aims to achieve the highest possible standards of corporate conduct and governance.
- 2.3 The purpose of this security trading policy is to ensure compliance with the ASX Listing Rules, and to ensure that Key Management Personnel and Employees of the Company and their respective related parties are aware of the legal restrictions on dealing in the Company’s and Trust’s stapled securities, options or other securities while such a person is in possession of unpublished price sensitive information concerning the Company and the Trust.
- 2.4 The policy recognises that it is illegal for a person to deal in the Company’s and the Trust’s securities when he or she is in possession of unpublished price sensitive information. This is regardless of whether the terms of this policy have been complied with.
- 2.5 This policy shall be distributed to all Key Management Personnel and Employees and it is the responsibility of each Key Management Person and Employee to comply with this policy. Any non-compliance with this policy will be considered as serious misconduct.
- 2.6 The trading restrictions set out in this policy are additional to any provisions governing or restricting the trading of securities set out in any agreement between the Company, and a Key Management Person, Employee or Securityholder, or any provisions in the Company’s employee share plans. Where the provisions of an agreement between the

Company and a Key Management Person, Employee or Securityholder conflict with the provisions of this policy, the most restrictive provisions will prevail.

### 3 Insider Trading

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- 3.1 A person engages in insider trading if that person deals in securities of a relevant entity while possessing information that:
- (a) is not *generally available*; and
  - (b) if it were available, may have a material effect on the price or value of the relevant entity's securities, and
- the person knows, or ought reasonably to know, that the information is not generally available and, if it were, it might have a material effect on the price or value of the entity's securities.
- 3.2 Information is considered to have a *material effect* on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities. This type of information is commonly referred to as "price sensitive information".
- 3.3 The prohibition against insider trading applies to:
- (a) direct trading in the Company's and the Trust's securities;
  - (b) procuring another person to trade in the Company's and the Trust's securities; or
  - (c) communicating price sensitive information to another person who is likely to trade in the Company's and the Trust's securities.
- 3.4 Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment. the Company may in certain circumstances also be liable if a Key Management Person or their associate engages in insider trading. Insider trading may also attract civil liability, including liability to pay compensation to those who suffer loss or damage as a result of the insider trading.

### 4 Scope of this Policy

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- 4.1 This policy extends to dealing in the securities of the Company and the Trust by Key Management Personnel of the Company, Employees, any associate or related party of any Key Management Personnel or Employee and any company, trust or other entity in which any Key Management Personnel or Employee has a relevant interest. Accordingly, references to dealings in securities by a Key Management Person or Employee in this trading policy apply equally to dealings by any associate or related party of that Key Management Person or Employee, and any company, trust or other entity in which any Key Management Personnel or Employee has a relevant interest.
- 4.2 This policy does not apply to the following trading:
- (a) transfers of securities of the Company and the Trust already held into a superannuation fund or other saving scheme in which the Key Management Person or Employee is a beneficiary;
  - (b) where a Key Management Person or Employee is a trustee, trading in the securities of the Company and the Trust by that trust provided the Key Management Person or Employee is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Key Management Person or Employee;

- (c) undertakings to accept, or the acceptance of, a takeover offer;
- (d) trading under an offer or invitation made to all or most of the Securityholders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (e) a disposal of securities of the Company and the Trust that is the result of a secured lender exercising their rights under a loan agreement; and
- (f) trading under a non-discretionary trading plan or employee share plan of the Company and the Trust for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - (i) the Key Management Person or employee did not enter into the plan or amend the plan during a Prohibited Period; and
  - (ii) the trading plan does not permit the Key Management Person or employee to exercise any influence or discretion over how, when or whether to trade.

## **5 Periods During Which Dealings May Take Place**

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5.1 Dealing by Key Management Personnel and Employees in the Company's securities may take place only during the following periods:

- (i) For a period of 6 weeks from the commencement of trading on the ASX on the day following the release of the Company's and the Trust's half-year financial results to the ASX; and
- (ii) within the period from the commencement of trading on the ASX on the day following the release of the company's and the Trust's full year financial results to the ASX and the release of the results of the AGM to the ASX,

("Trading Windows"), with all other periods being ("Closed Periods").

5.2 Notwithstanding the above, no dealing will be permitted at any time if that Key Management Person or Employee possesses (or is deemed to possess) any price sensitive information which is not generally available.

## **6 Pre-Dealing Checklist - trading in Trading Windows**

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6.1 For all periods during which dealing is permitted, the procedure in section 6.2 must be complied with before any dealing is undertaken.

6.2 Is the Key Management Person or Employee aware of any information that is not generally available but, if the information was generally available, a reasonable person would expect to have a material effect on the price or value of securities of the Company and the Trust?

- (a) NO - that Key Management Person or Employee may apply to the Approvals Officer, on behalf of the Designated Officer for permission to deal in the Company's and Trust's securities.
- (b) YES - has the information been disclosed to the ASX?

- (i) YES - that Key Management Person or Employee may apply to the Approvals Officer on behalf of the Designated Officer for permission to deal in the Company's and Trust's securities.
- (ii) NO - that Key Management Person or Employee may not deal in the Company's and Trust's securities.

## **7 Pre-Dealing Procedure - trading in Trading Windows**

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- 7.1 For all periods during which dealing is permitted, Key Management Personnel and Employees must apply to the Approvals Officer, on behalf of the Designated Officer to deal in the securities of the Company and the Trust.
- 7.2 On receipt of an application under section 7.1, the Approvals Officer shall procure that the Designated Officer considers the application. No dealing may be undertaken before the Key Management Person or Employee receives the written approval of the Approvals Officer, signed for and on behalf of the Designated Officer.
- 7.3 The dealing must be completed within 14 days from the date that the Key Management Person or Employee receives written approval, and confirmation of such trading must be given to the Approvals Officer.

## **8 Discretion to Prohibit Trading**

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In addition to the Closed Periods, the Board has the discretion to prohibit trading by any Key Management Person or Employee during any additional periods, which are imposed by the Board when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A (together with the Closed Periods, the "**Prohibited Period**").

## **9 Dealing during Prohibited Periods in Exceptional Circumstances**

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- 9.1 Key Management Personnel and Employees may in exceptional circumstances apply to the Approvals Officer, on behalf of the Designated Officer for approval to trade during a Prohibited Period, provided that the Applicant is not in possession of inside information.
- 9.2 On receipt of the application under section 9.1, the Approvals Officer shall procure that the Designated Officer considers the application. No dealing may be undertaken before the Applicant receives the written approval of the Approvals Officer, signed for and on behalf of the Designated Officer.
- 9.3 The Approvals Officer, on behalf of the Designated Officer, may grant the Applicant written permission to deal in securities during the Prohibited Period if the Designated Officer is satisfied that the Applicant's circumstances amount to exceptional circumstances, when taking into account the factors listed at section 9.4.
- 9.4 The following factors are to be considered by the Designated Officer in determining whether the Applicant is granted permission to trade during a Prohibited Period:
  - (a) whether the Applicant is suffering severe financial hardship;
  - (b) whether the Applicant is bound by a court order, enforceable undertaking or other legal or regulatory requirement to transfer or sell the securities of the Company and the Trust; and
  - (c) whether the Applicant's circumstances are otherwise exceptional and the proposed dealing is the only reasonable course of action available.

- 9.5 If approval is granted by the Approvals Officer, on behalf of the Designated Officer, the Applicant must complete the dealing within 14 days of receiving such written approval, or such earlier time as determined.

## **10 Margin Loans and Security Arrangements**

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- 10.1 Key Management Personnel and Employees may not enter into a margin loan or other security arrangement in respect of the Company's and Trust securities at any time.

## **11 Hedging**

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The Company prohibits Key Management Personnel (and their closely related parties as that term is defined in the Corporations Act) and Employees, from entering into hedging arrangements in relation to the Company's and Trust's securities, including, without limitation arrangements (in the case of Key Management Person) that would have the effect of limiting the exposure of the person to risk relating to an element of their remuneration that has not vested, or has vested but remains subject to a holding lock.

## **12 Further assistance**

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Any Key Management Person or Employee who is unsure of the nature of the information that they have in their possession and whether they may deal in the Company's and Trust's securities should contact the Approvals Officer.