

**Hotel Property Investments Limited**

**Continuous Disclosure Policy**

May 2019

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## 1 Obligations

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- 1.1 Hotel Property Investments Limited (“**Company**”) is the Responsible Entity for the Hotel Property Investments Trust (“**Trust**”) ARSN 166 484 377 and holder of Australian Financial Services Licence (“**AFSL**”) number 479719.
- 1.2 The ordinary shares of the Company are stapled to units in the Trust.
- 1.3 The stapled securities are listed on the Australian Securities Exchange (“**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.
- 1.4 ASX Listing Rule 3.1 requires the Company to “immediately” disclose to ASX any information concerning the Company and Trust:
- (a) when the Company is, or becomes, aware of the information; and
  - (b) which a reasonable person would expect the information to have a material effect on the price or value of the Company’s and Trust’s securities, (commonly referred to as “price sensitive information”).
- 1.5 This obligation imposed by ASX Listing Rule 3.1 is commonly referred to as the continuous disclosure obligations of a listed entity.
- 1.6 Section 674 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) reinforces the Listing Rule by creating criminal and civil penalties for non-compliance.
- 1.7 The test for determining whether information is price sensitive information (and therefore needs to be immediately disclosed to ASX under ASX Listing Rule 3.1) is set out in section 677 of the Corporations Act. Under that section, a reasonable person is taken to expect information to have a material effect on the price or value of the Company’s and the Trust’s securities (such that the information is price sensitive information) if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities.
- 1.8 The requirement to disclose this information does not apply if, and only if, each of the following requirements is, and remains, satisfied in relation to the information:
- (a) one or more of the following 5 situations applies:
    - (i) it would be a breach of a law to disclose the information; or
    - (ii) the information concerns an incomplete proposal or negotiation; or
    - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - (iv) the information is generated for the internal management purposes of the Company; or
    - (v) the information is a trade secret; and
  - (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
  - (c) a reasonable person would not expect the information to be disclosed.
- 1.9 If ASX considers that there is or is likely to be a false market in the Company’s and Trust’s securities and asks the Company to give it information to correct or prevent a false market, the Company must immediately give ASX that information.
- 1.10 Section 674 of the Corporations Act has given ASX Listing Rule 3.1 statutory force. A listed entity which breaches ASX Listing Rule 3.1 may also breach that section and this

can attract serious legal consequences for the entity and its officers, including criminal and civil penalties.

## 2 When the Company is deemed to have become aware of the information

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- 2.1 The Company will be deemed to have become aware of information if, and as soon as, a Director or officer has, or ought reasonably to have, come into possession of the information in the course of performance of his or her duties as a Director or executive officer of the Company.
- 2.2 An executive officer is a person concerned in, or taking part in, the management of the Company and the Trust.

## 3 Procedures adopted by the Board to ensure compliance

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The board of Directors of the Company ("**Board**") has established procedures to ensure compliance with its Continuous Disclosure obligations. These include the appointment of a disclosure officer ("**Disclosure Officer**") and deputy disclosure officer ("**Deputy Disclosure Officer**") to ensure that the Company complies with its obligations of continuous disclosure.

## 4 The disclosure officer

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- 4.1 Appointment of Disclosure Officer and Deputy Disclosure Officer
- (a) The Board has appointed a Disclosure Officer and a Deputy Disclosure Officer for the Company. The Deputy Disclosure Officer shall act when the Disclosure Officer is not available.
  - (b) The Disclosure Officer is primarily responsible for ensuring that the Company complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, and is primarily responsible for deciding what information will be disclosed.
- 4.2 Responsibilities of the Disclosure Officer
- The Disclosure Officer shall:
- (a) decide what information must be disclosed to the ASX and, in this regard, consult with the Company's legal advisors when necessary;
  - (b) conduct all disclosure discussions with the ASX;
  - (c) maintain a disclosure file containing:
    - (i) all reports received by the Disclosure Officer setting out information required, or potentially required, to be disclosed to the ASX;
    - (ii) copies of all disclosure correspondence with the ASX; and
    - (iii) copies of all material that has not been disclosed to the ASX;
  - (d) ensure that he or she understands the Company's obligations with respect to investor communications, and use all reasonable endeavours to procure that the Company complies with those obligations; and
  - (e) as required, submit periodic reports to the Board, setting out:
    - (i) details of the matters reported to the Disclosure Officer for consideration as to whether they should be disclosed to the ASX;

- (ii) details of those matters disclosed to the ASX; and
- (iii) ensure that each of the Company's Directors, executive officers and employees has a copy of the Continuous Disclosure Memorandum attached as Schedule 1, and institute such other procedures as the Disclosure Officer considers necessary and expedient to ensure all are aware of and understand the Company's Continuous Disclosure requirements and of their responsibilities under this policy.

## **5 Reporting and disclosure procedure**

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### **5.1 Reporting to Disclosure Officer**

- (a) Where any information comes to light about the Company and the Trust which may need to be disclosed, all Directors, executive officers and employees of the Company are obliged to bring that information to the attention of the Disclosure Officer or the Deputy Disclosure Officer (as the case may be) with all possible expediency.
- (b) In the case of an emergency, or where any delay would prejudice the Company or the Trust, initial verbal notification should be given directly to the Disclosure Officer, to be followed by a written report.

### **5.2 Determining whether the information must be disclosed**

Upon receipt of a report from a Director or any other person, the Disclosure Officer shall determine whether the information contained in that report may be required to be disclosed to the ASX under the Corporations Act and the ASX Listing Rules. In making that determination, the Disclosure Officer shall decide whether the information:

- (a) is price-sensitive and must be disclosed;
- (b) is not price-sensitive and does not have to be disclosed; or
- (c) does not have to be disclosed because it falls under each element of the exception to ASX Listing Rule 3.1.

### **5.3 If the information must be disclosed**

- (a) If the information is price-sensitive and must be disclosed, the Disclosure Officer shall, immediately:
  - (i) discuss the matter with the Chairman of the Audit and Risk Management Committee or, the Chairman, or in his absence any other Director;
  - (ii) prepare an appropriate release, to be reviewed by the Chairman of the Audit and Risk Management Committee or the Chairman prior to it being sent to the ASX;
  - (iii) send the release to the ASX's Company Announcements Office by facsimile or electronic means; and
  - (iv) place a copy of the release on the disclosure file.
- (b) If the Disclosure Officer and the Chairman of the Audit and Risk Management Committee or the Chairman (as the case may be) are unable to agree on whether the information must be disclosed, whether in whole or in part, or as to the terms of the disclosure, the Company's legal advisors should be consulted immediately.

### **5.4 If the information does not have to be disclosed**

- (a) If the information is not price-sensitive or does not have to be disclosed because it falls under all elements to the exception to ASX Listing Rule 3.1, then the Disclosure Officer must:

- (i) record the information and the reason for it not being disclosed; and
- (ii) place a copy of all notes and correspondence relating to the matter on the disclosure file.

#### 5.5 If the Disclosure Officer is unsure

- (a) If the Disclosure Officer is unsure whether the information is price sensitive or whether it falls under an exception to ASX Listing Rule 3.1, then he must immediately discuss the matter with the Chairman of the Audit and Risk Management Committee or, in his absence, with the Chairman.
- (b) If the Disclosure Officer and the Chairman of the Audit and Risk Management Committee or the Chairman respectively (as the case may be) cannot agree on whether the information is required to be disclosed, then the Disclosure Officer shall immediately seek advice from the Company's legal advisors.

#### 5.6 Release of Information

- (a) The Company must not disclose the information in any way until disclosure has been made to the ASX and the Company has received acknowledgement from the ASX that the information has been released to the market.
- (b) After receipt of the ASX's acknowledgement, the Disclosure Officer will arrange for a copy of the announcement to be posted on the Company's website.
- (c) All announcements must be kept separate from any promotional material found on the Company's website.

## 6 Confidential information

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If a determination is made that the information which comes to light is confidential, the Disclosure Officer will ensure that anyone who has a copy of, or knows about, the information is aware that it is confidential.

## 7 Relationship with media, public and analysts

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- 7.1 Care must be taken not to make comments to the media or others which could result in rumours or speculation about the Company and the Trust. Directors must comply with the media relations policy of the Company.
- 7.2 The policy limits media contact to the Chairman, the Chairman of the Audit and Risk Management Committee, the Managing Director and the Disclosure Officer. Other Directors and executives may only speak with the media in relation to a particular matter concerning the Company and the Trust if they have obtained the prior express approval of the Chairman.
- 7.3 It is also important to ensure that any speeches, or external addresses given, do not result in rumours or speculation about the Company and the Trust or unauthorised disclosure. The text of all speeches and external addresses must receive prior endorsement of the Chairman.
- 7.4 During any briefings and discussions with analysts, Directors and executives (if any) must only disclose information that has been publicly released through the ASX. If a question arises which can only be answered by disclosing price sensitive information, the Director or executive must decline to answer the question or take it on notice and then announce the information through the ASX before responding.

## **8 Maintenance of continuous disclosure policy**

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- 8.1 This Continuous Disclosure Policy shall, at all times, be kept under review by the Disclosure Officer to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. Where appropriate, the Company's legal advisors shall be consulted to ensure that the Continuous Disclosure Policy complies with all relevant legislation.
- 8.2 Any queries about the Continuous Disclosure Policy should be referred to the Disclosure Officer.

## SCHEDULE 1 - CONTINUOUS DISCLOSURE MEMORANDUM

### 1 Introduction

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- 1.1 As a listed company, Hotel Property Investments Limited (“**Company**”) and the Hotel Property Investment Trust (“**Trust**”) ARSN 166 484 377 must notify the Australian Securities Exchange Limited (“**ASX**”) of price sensitive information, and must do so immediately once it becomes aware of it, unless certain requirements are satisfied.
- 1.2 Price sensitive information is information that is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company’s and the Trust’s securities.
- 1.3 Shares in the Company are stapled to the units in the Trust and are quoted together as a single stapled security. Price sensitive information relating to the Trust will therefore also have a material effect on the price or value of the Company’s securities.
- 1.4 Failure to notify the ASX of price sensitive information constitutes a breach of the Company’s obligations under the ASX Listing Rules and a contravention of the *Corporations Act 2001* (Cth), exposing the Company and its Directors and executives who are involved, to a range of sanctions including fines, criminal charges or civil liability. It could also result in suspension of the Company’s and the Trust’s securities from quotation or possible delisting.
- 1.5 The procedures set out in this Memorandum apply to all the Company’s personnel to ensure disclosure by the Company with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

### 2 Information required to be disclosed

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- 2.1 The following are non-exhaustive examples of the type of information that, depending on the circumstances, could require disclosure by the Company to ASX:
- (a) a transaction that will lead to a significant change in the nature or scale of the Company’s and Trust’s activities;
  - (b) a material acquisition or disposal;
  - (c) the granting or withdrawal of a material licence;
  - (d) the entry into, variation or termination of a material agreement;
  - (e) becoming a plaintiff or defendant in a material law suit;
  - (f) the fact that the Company’s and the Trust’s earnings will be materially different from market expectations, with the applicable materiality threshold to be as determined by the Board from time to time having regard to (among other things) ASX guidance;
  - (g) the appointment of a liquidator, administrator or receiver;
  - (h) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
  - (i) under subscriptions or over subscriptions to an issue of securities;
  - (j) giving or receiving a notice of intention to make a takeover; and
  - (k) any public rating applied by a rating agency to an entity or its securities and any change to such a rating.



- 2.2 The above is not a definitive list and the Disclosure Officer should always be informed if there is any doubt.

### **3 Exception to the disclosure rule**

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- 3.1 The requirement to disclose information under ASX Listing Rule 3.1 does not apply if, and only if, each of the following requirements is, and remains, satisfied in relation to the information:
- (a) one or more of the following 5 situations applies:
    - (i) it would be a breach of a law to disclose the information; or
    - (ii) the information concerns an incomplete proposal or negotiation; or
    - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - (iv) the information is generated for the internal management purposes of the Company and the Trust; or
    - (v) the information is a trade secret; and
  - (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
  - (c) a reasonable person would not expect the information to be disclosed.

Ultimately, it is for the Disclosure Officer, the Chairman of the Audit and Risk Management Committee and Board to determine whether the above conditions are satisfied.

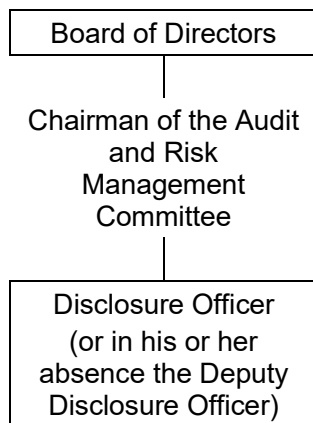
### **4 Reporting process**

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- 4.1 Any personnel, becoming aware of any actual or potential price sensitive information must report it to the Disclosure Officer immediately.
- 4.2 If the Disclosure Officer is not available, the information must be reported to the Deputy Disclosure Officer, and if the Deputy Disclosure Officer is not available, the information must be reported to another senior person in the Company.
- 4.3 A recipient of information under section 4.2 must immediately pass on the information to the Chairman of the Audit and Risk Management Committee, or in his absence any other Director.
- 4.4 Reports of price sensitive information can be made by telephone but must in all instances be followed up by a comprehensive written report.

## 5 Reporting flow chart

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## 6 Confidentiality

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- 6.1 The price sensitive information must not be passed on to anyone outside of the Company and the Trust before the ASX is notified and the Company receives an acknowledgment from the ASX that the information has been released to the market. Further, the information must not be passed on to anyone within the Company, other than the Disclosure Officer, the Deputy Disclosure Officer the Chairman of the Audit and Risk Management Committee or the Chairman of Directors, unless the person concerned needs to know in order to do their job properly.
- 6.2 Any person who passes the information on improperly, may be committing a criminal offence.
- 6.3 If it is discovered that persons outside of the Company and the Trust are aware of the information before the ASX has been notified, the Disclosure Officer (or if unavailable, the Deputy Disclosure Officer) must be immediately informed.