

SECURITY PURCHASE PLAN

OFFER BOOKLET

**HOTEL PROPERTY INVESTMENTS
(ASX TICKER: HPI)**

IMPORTANT NOTICES

Nature of this Offer Booklet

This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. The information in this Offer Booklet is not investment advice or a recommendation to acquire New Securities and has been prepared without taking into account your investment objectives, financial circumstances or particular needs as an investor (including financial and taxation considerations). It is recommended that you read the entire Offer Booklet and seek professional investment advice from your financial adviser or other professional adviser before deciding whether to apply for new Securities.

The SPP is a part of the capital raising announced by HPI on 19 November 2020, which also includes a placement of Securities to institutional investors to raise approximately \$40 million (**Placement**). Please refer to the Investor Presentation and ASX Announcement released by HPI on 19 November 2020, for further details regarding the Placement.

A cooling-off regime does not apply in relation to the acquisition of New Securities. You cannot withdraw your Application once it has been submitted.

By submitting your Application, you are accepting the risk that the market price of Securities may change between the date you submit your Application and the Issue Date. This means it is possible that, between the time you make your Application and up to or after the Issue Date, you may be able to buy Securities on market at a lower price than the Issue Price. HPI will not issue New Securities to an applicant if those New Securities, either alone or in conjunction with the issue of New Securities under other Applications received by HPI, would contravene any law or the ASX Listing Rules.

Eligible Securityholders should be aware that an investment in HPI involves risks. The key risks identified by HPI are set out in the "Key Risks" section to the Investor Presentation that was released on 19 November 2020. This can be obtained from the ASX's website (www.asx.com.au) or at www.hpitrust.com.au.

No overseas offering

This Offer Booklet and the accompanying Application Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Excluded Securityholders. This Offer Booklet is not to be distributed in, and no offer of new Securities under the SPP offer is to be made, in countries other than Australia and New Zealand. No action has been taken to register or qualify the SPP offer or the new Securities, or otherwise permit the public offering of the new Securities, in any jurisdiction other than in Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for new Securities is subject to all requisite authorities and clearances being obtained for HPI to lawfully receive your Application monies.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet, and the Application Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Securities offered in the SPP have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new Securities may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been

registered under the U.S. Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. The New Securities to be offered and sold in the SPP may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

Definitions and time

Defined terms used in this Offer Booklet are contained in the Definitions section at the end of this Booklet. All references to time are to the time in Sydney (Australia), unless otherwise indicated.

Foreign exchange

All references to "\$" are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the SPP and receiving new Securities. The guide does not take account of the individual circumstances of particular Eligible Securityholders and does not constitute tax advice. HPI recommends that you consult your professional tax advisor in connection with the SPP.

Future performance

This Offer Booklet contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statement. While due care and attention has been used in the preparation of forward-looking statements, forward looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of HPI and its directors and management. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors described in the "Key Risks" section of the investor presentation released on 19 November 2020.

Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. To the maximum extent permitted by law, HPI and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Risks

Refer to the "Key Risks" section of the Investor Presentation released to ASX on 19 November 2020 for a summary of certain risk factors that may affect HPI.

LETTER FROM THE CHAIRMAN

27 November 2020

Dear Securityholder

SECURITY PURCHASE PLAN OFFER

On behalf of the Board of HPI Property Investments ABN 25 010 330 515 (ASX Code: HPI) (**HPI** or the **Company**), I am pleased to offer you the opportunity to participate in HPI's recently announced Security Purchase Plan (**SPP**). The SPP provides each Eligible Securityholder with an opportunity to apply for up to A\$30,000 worth of new Securities in HPI (**New Securities**).

The offer

The SPP is being offered exclusively to all Eligible Securityholders, being registered holders as at 7.00 pm (Sydney time) on 18 November 2020 (**Record Date**) with a registered address in Australia or New Zealand.

The SPP provides Eligible Securityholders with an opportunity to apply for up to \$30,000 in New Securities irrespective of the number of Securities they currently own. The SPP is targeted to raise \$8 million and will not be underwritten. If total demand for the SPP exceeds \$8 million, HPI reserves the right to accept applications (in whole or in part) that results in the SPP raising more than this amount or to Scale Back the maximum number of New Securities issued to each Eligible Securityholder at its absolute discretion.

HPI is committed to ensuring that all Eligible Securityholders have the opportunity to participate in the SPP.

The launch of the SPP follows the recent announcement by HPI regarding a \$40 million equity placement to institutional and other wholesale investors who have subscribed for 13,157,895 Securities at \$3.04 per Security (the **Placement**).

The New Securities issued as part of the Placement and the SPP will be entitled to the distribution for the six months ending 31 December 2020.

Use of funds

Funds raised from the Placement and the SPP (together, the **Equity Raising**) will be used to partially fund HPI's proposed acquisition of the Jubilee Tavern, Summerhill Hotel and Mango Hill Tavern (together, the **Acquisitions**), along with associated transaction costs. Further details of the proposed use of proceeds are set out below and in the announcement and investor presentation (**Investor Presentation**) lodged with the Australian Securities Exchange (**ASX**) on 19 November 2020, and are available on HPI's website (www.hpitrust.com.au).

Securityholders are encouraged to read these documents carefully (in particular, the summary of key risks detailed on pages 19-23 in the Investor Presentation), together with the information in this Offer Booklet.

Issue price

The Issue Price of New Securities under the SPP will be \$3.04 per New Security, being the issue price under the Placement, which represents:

- a 3.5% discount to HPI's closing price of \$3.15 per Security on 18 November 2020 (being the last trading day prior to the announcement of the Placement and SPP); and
- a 4.6% discount to the 5 day VWAP of \$3.19 on 18 November 2020, the day prior to announcement of the Placement.

Other key Terms and Conditions

HPI reserves the right to Scale Back or refuse Applications under the SPP at its absolute discretion. Any determination will be final. If HPI scales back Applications, you may be allocated fewer New Securities than the New Securities for which you applied, and you will be refunded the difference in the Application amount (without interest payable on funds prior to your refund). When determining any Scale Back or rejection of Applications, HPI may take into account a number of factors, including the size of an applicant's holding in HPI, the extent to which Eligible Securityholders have sold or purchased additional Securities after the Record Date, whether the applicant has multiple registered holdings and the date an Application was made. Eligible Securityholders are, therefore, encouraged to submit their Applications early.

If total subscriptions under the SPP are less than the targeted \$8 million, HPI may seek to place the shortfall to investors identified by it at the Issue Price, subject to being permitted to do so under Listing Rule 7.1.

Participation in the SPP is entirely voluntary. All New Securities will rank equally with existing Securities and will carry the same voting rights and entitlement to receive distributions.

No brokerage, commissions or other transaction costs apply to purchases under the SPP.

How to accept this offer

To apply for New Securities under the SPP, please follow the instructions on the enclosed personalised Application Form or use the BPAY® option referred to in the relevant sections in this document. If you wish to participate in the SPP, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Application Form enclosed with this Offer Booklet if you choose this option.

This letter and its attachments set out the details and Terms and Conditions of the SPP. We encourage you to read the enclosed material and seek your own financial and tax advice in relation to the SPP before you decide whether to participate.

The SPP opens at **10.00 am (Sydney time) on 27 November 2020** and will close at **5.00 pm (Sydney time) on 10 December 2020**. HPI reserves the right to extend the Closing Date, to accept late Applications either generally or in particular cases or to withdraw the SPP without prior notice subject to the Corporations Act and the Listing Rules.

On behalf of the Board, we invite you to consider participation in the SPP.

Yours sincerely

Raymond Gunston

Chairman

SUMMARY OF THE SPP

Eligible Securityholders	Registered holders of Securities at 7.00pm (Sydney time) on 18 November 2020, which have a registered address in Australia or New Zealand.
Excluded Securityholders	<p>An Excluded Securityholder is any:</p> <ul style="list-style-type: none">• person who holds Securities (either for their own account or the account of another person) who resides outside Australia or New Zealand; or• holder of Securities who is, or is acting for the account or benefit of, a person in the United States.
Application amount	Eligible Securityholders can apply for a Parcel of New Securities, up to an aggregate of A\$30,000 across all their holdings, regardless of how many Securities they currently hold. You may nominate one of the following values should you wish to apply for New Securities: \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, or \$30,000.
Issue Price	\$3.04 per New Security (same as for the Placement).
Ranking of new Securities	New Securities will rank equally with existing Securities.
Scale Back	HPI has absolute discretion to Scale Back Applications depending on demand. In the event of a Scale Back, the value of New Securities allocated to you may be less than the Parcel you initially applied for. If this occurs, any excess money will be refunded to you. We expect to announce the final outcome of the SPP, including any Scale Back, on 14 December 2020.
Refunds	Any refunds will be made as soon as practicable after the Issue Date. No interest will be paid on any money refunded.
When to apply	The SPP opens at 9.00 am (AEST) on 27 November 2020 and will close at 5.00 pm (AEST) on 10 December 2020.
Issue Date of New Securities	New Securities are expected to be issued on 17 December 2020.
Dispatch of holding statements for New Securities and commencement of trading of New Securities	It is expected that New Securities will commence trading on the ASX on 17 December 2020 and that holding statements for New Securities will be dispatched to Securityholders on 18 December 2020.

KEY DATES

Date (and time if relevant)	Event	Description
7.00 pm (Sydney time) 18 November 2020	Record Date	The date and time on which HPI determined the eligibility of Eligible Securityholders.
10.00 am (Sydney time) 27 November 2020	Opening Date	SPP opens for acceptances.
10 December 2020	Closing Date	SPP closes for acceptances. Applications must be received by 5.00 pm (Sydney time).
14 December 2020	Scale Back Date	The date on which any Scale Back is announced.
17 December 2020	Issue Date and Allotment Date	New Securities will be issued and allotted on this date.
17 December 2020	Trading Date	Trading of New Securities is expected to commence on ASX.
18 December 2020	Despatch Date	Transaction confirmations will be despatched to Securityholders.

Note: This timetable is indicative only and subject to change. HPI may, at its discretion, vary any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, HPI reserves the right to extend the Closing Date of the SPP, to accept late Applications either generally or in particular cases or to withdraw the SPP without prior notice.

The commencement of quotation of New Securities is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Securities. You cannot withdraw your Application once it has been accepted. Eligible Securityholders wishing to participate in the SPP are encouraged to submit their Application Form as soon as possible after the SPP opens. All times are Sydney time.

PROPOSED USE OF FUNDS

HPI intends to use proceeds from the Equity Raising to partially fund HPI's proposed acquisition of the Jubilee Tavern, Summerhill Hotel and Mango Hill Tavern.

KEY RISKS

There are a number of general and specific risks which may affect the future operating and financial performance and financial position of HPI along with the trading price of the Securities and distributions (if any) paid on them in the future. These risks are identified on pages 19-23 of the Investor Presentation that was released on ASX on 19 November 2020 and are available on HPI's website (www.hpitrust.com.au). Eligible Securityholders are encouraged to read these risks carefully before deciding to apply for New Securities under the SPP.

These risks are associated with an investment in Securities but are not an exhaustive list. As a Securityholder, you will continue to be exposed to risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on HPI's business and the value of the Securities. Where possible, HPI will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of HPI, and there can be no assurance that any steps that HPI takes will successfully protect it from any particular risk.

The risks identified in the Investor Presentation (and the disclosures in this document more generally) do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Securityholder. Securityholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the SPP.

FREQUENTLY ASKED QUESTIONS

1. What is the SPP?

The SPP is an opportunity for Eligible Securityholders to purchase additional Securities irrespective of the number of Securities they currently own.

No brokerage, commissions or other transaction costs will apply.

All New Securities issued to you under the SPP will rank equally with your existing fully paid Securities and will carry the same voting rights and entitlements to receive distributions.

2. Who may participate in the SPP?

You may participate in the SPP if you are an Eligible Securityholder. You are an Eligible Securityholder if you are a registered holder of Securities on the Record Date with a registered address in:

- Australia; or
- New Zealand,

unless you are an Excluded Securityholder. Certain Eligible Securityholders who are Custodians holding Securities on behalf of certain beneficiaries are also able to participate in the SPP in accordance with the Terms and Conditions.

An Excluded Securityholder is any:

- person who holds Securities (either for their own account or the account of another person) who resides outside Australia or New Zealand; or
- holder of Securities who is, or is acting for the account or benefit of, a person in the United States.

Each Custodian, trustee or nominee must not distribute any documents relating to the SPP to any person in the United States and must not submit an Application or make payment by BPAY® or otherwise for Securities for any person for whose account or benefit it acts that is an Excluded Securityholder.

3.	Do I have to participate in the SPP?	<p>No. Participation in the SPP is entirely voluntary.</p> <p>If you do not wish to participate in the SPP, no action is required on your part.</p> <p>Before you apply for New Securities, HPI recommends you seek independent financial and tax advice from your stockbroker, accountant or other professional advisor, and you monitor the price of Securities (which is quoted in the financial pages of the major metropolitan newspapers and on the ASX website). This Offer Booklet does not purport to contain all of the information that you may need to make an investment decision.</p>
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4.	Are there any risks in participating in the SPP?	<p>There are risks associated with holding Securities and participating in the SPP.</p> <p>These risks are summarised in the 'Key Risks' section of the Investor Presentation that was released on ASX on 19 November 2020 and is available on HPI's website (www.hpitrust.com.au). Eligible Securityholders are encouraged to read these risks carefully before deciding to apply for New Securities under the SPP. These Key Risks are not exhaustive.</p> <p>In addition, there is a risk that the Issue Price may differ from the market price of Securities on the day New Securities are issued or allotted to you. The market price or value of Securities is subject to market volatility. It may be higher or lower, at any time, than the Issue Price of the New Securities you receive.</p>
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5.	What is the Issue Price of the Securities under the SPP?	<p>The Issue Price of New Securities issued under the SPP will be \$3.04 per New Security, being the issue price under the Placement, which represents:</p> <ul style="list-style-type: none"> • a 3.5% discount to HPI's closing price of \$3.15 per Security on Wednesday, 18 November 2020 (being the last trading day prior to the announcement of the Placement and SPP); and • a 4.6% discount to the 5 day VWAP of \$3.19 on Wednesday, 18 November 2020, the day prior to announcement of the Placement.
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6.	What will the funds raised under the SPP be used for?	<p>Proceeds from the SPP will be used to partially fund HPI's proposed acquisition of the Jubilee Tavern, Summerhill Hotel and Mango Hill Tavern (the Acquisitions) as well as associated transaction costs.</p>
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7. How many New Securities can I apply for under the SPP? If you are an Eligible Securityholder, you are entitled to apply for up to \$30,000 in New Securities, regardless of the number of Securities you currently hold. You may nominate one of the following values should you wish to apply for New Securities: \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, or \$30,000 (**Nominated Subscription**).

If you receive more than one copy of this Offer Booklet, or if you hold Securities in more than one capacity (e.g. because you are both a sole and joint holder of Securities), the maximum amount you may apply to invest under the SPP in all capacities, and in aggregate, is \$30,000. **By applying to purchase New Securities under the SPP, you certify you have not exceeded this \$30,000 limit.**

If the Issue Price cannot be divided into your Nominated Subscription, to give a whole number of New Securities, there will be a rounding down of the number of New Securities. By applying to purchase New Securities under the SPP, you acknowledge that any remaining balance of your payment arising from any rounding down will be donated to a registered charity of HPI's choosing. You will not receive a refund for this amount, which will always be less than the Issue Price of one New Security.

8. Can I transfer my offer to a third party? No. Your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

9. What will happen if the SPP is oversubscribed?

The SPP is targeted to raise \$8 million.

HPI may decide to accept Applications (in whole or in part) that result in the SPP raising either more or less than this amount in its absolute discretion.

If total demand for the SPP exceeds \$8 million, HPI reserves the right to accept applications (in whole or in part) that results in the SPP raising more than this amount at its absolute discretion.

HPI may also, at its absolute discretion, Scale Back the number of New Securities that will be allotted to individual Securityholders under this SPP. If this happens you may be allocated New Securities to a value which is less than the value of New Securities that you applied for and the difference will be refunded to you.

10. How do I apply for New Securities under the SPP?

If you wish to participate in the SPP, you can apply for New Securities in the following ways:

- apply for New Securities by making a payment of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, using the BPAY® facility provided by your bank as per the instructions in the Application Form. If you make a payment by BPAY®, you will be deemed to have completed an Application Form accepting New Securities to the value of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. You do not need to return the Application Form if paying by BPAY®; or
- follow the instructions set out in the enclosed Application Form. Send your completed Application Form with your cheque, bank draft or money order drawn on an Australian branch of a financial institution in Australian currency, made payable to “**HPI SPP Offer**” and crossed “**Not Negotiable**” to Link Market Services, (the **Registry**)

Mailing Address

Hotel Property Investments
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001;

in the enclosed reply paid envelope. Securityholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.

You will not be able to withdraw or revoke your Application once you have made a payment by BPAY® or sent us the completed Application Form.

If you wish to participate in the SPP, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Application Form enclosed with this Offer Booklet if you choose this option.

11. Can I apply for New Securities under the SPP if my Securities are held by a Custodian, trustee or nominee?

If you are expressly noted on HPI’s Securities register as the named Beneficiary of Securities held by a Custodian, trustee or nominee, and you reside in Australia or New Zealand, you will be eligible to participate in the SPP. If this is the case, you must participate in the SPP through your Custodian, trustee or nominee, in accordance with the Terms and Conditions.

12.	How long is the SPP offer open for?	<p>The SPP opens at 10.00 am (Sydney time) on 27 November 2020 and closes at 5.00 pm (Sydney time) on 10 December 2020.</p> <p>If you want to participate you should ensure that the Registry receives payment in cleared funds by no later than 5.00 pm (Sydney time) on 10 December 2020 (the Closing Date for the SPPs).</p>
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13.	Do I have a guaranteed allocation of Securities under the SPP?	<p>No.</p> <p>HPI reserves the right (at its absolute discretion) to Scale Back Applications under the SPP. If this happens, you may be allocated fewer New Securities than the Parcel of Securities for which you applied, and you will be refunded the difference in the Application amount (without interest payable on funds prior to your refund).</p>
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14.	What is the market price of Securities?	<p>The market price of Securities can be obtained from the ASX website by searching for “Hotel Property Investments” or by entering the ASX code “HPI” in the prices search screen.</p>
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15.	Taxation	<p>You should consult your own taxation advisor about the tax status and implications of your investment in New Securities.</p>
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16.	Further questions?	<p>If you have any questions in relation to the SPP please call your stockbroker, accountant or other professional advisor.</p> <p>If you require information on how to complete the Application Form please contact the Registry on 1300 369 266 from within Australia or (+61) 1300 369 266 from outside Australia between 8.30 am and 5:30 pm (Sydney time), Monday to Friday while the Offer remains open for acceptance.</p>

TERMS AND CONDITIONS

Defined words and expressions used in this Offer Booklet are capitalised. See the Definitions section at the end of this Offer Booklet for their definition.

Please read these Terms and Conditions carefully as you will be bound by them if you apply for New Securities. Eligible Securityholders whose Applications are accepted will also be bound by HPI's Constitution.

The SPP offer is made in Australia under and in accordance with the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*. The SPP offer is made in New Zealand in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

The SPP offer to each Eligible Securityholder (whether you are a Custodian or you hold Securities on your own account) is made on the same Terms and Conditions.

IMPORTANT NOTICE: The market price of Securities may rise or fall from now to when the New Securities are issued or allotted to you under the SPP. If you apply to participate in the SPP by completing and returning the Application Form (or otherwise making a valid Application in accordance with these Terms and Conditions), you are accepting the risk that the market price of Securities may change between the time you make your Application and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Securities at a lower price than the Issue Price. HPI encourages you to seek your own financial and tax advice regarding your participation in the SPP.

1. Offer timetable

This offer is dated, and taken to be made on, 27 November 2020.

The offer opens at 10.00 am (Sydney time) on 27 November 2020 (**Opening Date**) and closes at 5.00 pm (Sydney time) on 10 December 2020 (**Closing Date**). Application Forms and cheques,

bank drafts, money orders or BPAY® payments may not be processed and may not be valid if they have not been received by the Closing Date. You must allow adequate time for Application Forms and cheques, bank drafts or money orders forwarded by post to be received by the Registry.

Any reduction in allotments of Securities under the SPP (**Scale Back**) is proposed to be announced on the Scale Back Date.

The Securities will be issued on the Issue Date.

It is expected that the Securities will be allotted on the Issue Date (**Allotment Date**).

A transaction confirmation is expected to be despatched to you on or around the Despatch Date.

2. Eligible Securityholders

You may participate in the SPP if you are an Eligible Securityholder.

Securityholders who hold Securities on behalf of persons who:

- (a) reside outside Australia or New Zealand; or
- (b) are in the United States or are acting for the account or benefit of a person in the United States,

are not entitled to participate in the SPP on behalf of those persons.

The New Securities to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state or other jurisdiction of the United States. Accordingly, Securityholders who are located in the United States or are acting for the account or benefit of a person in the United States are not Eligible Securityholders and are not entitled to participate in the SPP. A Custodian must not participate in the SPP on behalf of, nor distribute this Offer Booklet or any other document relating to the SPP to, any person in the United States.

Consistent with the representations, warranties and acknowledgements contained these Terms and Conditions and the Application Form included with this Offer Booklet, you may not

submit any completed Application Forms for any person in the United States or any person who is acting for the account or benefit of a person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.

If you are the only registered holder of a holding of Securities, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of \$30,000 in applying for New Securities.

If 2 or more persons are recorded in HPI's Securities register as jointly holding Securities, they are taken to be a single registered holder of Securities for the purposes of the SPP. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of \$30,000 in applying for New Securities. An agreement, representation, acknowledgement or certification given by any joint holder of Securities is taken to be an agreement, representation, acknowledgement or certification given by all joint holders.

An Eligible Securityholder who is a Custodian, trustee or nominee within the definition of "custodian" in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* (**Custodian**) may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Securities.

If you are a Custodian, you may contribute a maximum of \$30,000 in applying for Securities for each Eligible Beneficiary on whose behalf you or a downstream Custodian holds Securities (but joint holders are taken to be a single holder). This is subject to you providing HPI with a certificate in accordance with clause 3.6(f) by emailing it promptly to registrars@linkmarketservices.com.au. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of \$30,000 in applying for Securities. You are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

If you are an Eligible Securityholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

Participation in the SPP is entirely optional. If you are an Eligible Securityholder, you can choose whether or not to participate. If you are a Custodian, you can choose whether to extend the offer to your Eligible Beneficiaries.

3. Applications for New Securities

3.1 Limitations on Applications

If you are an Eligible Securityholder, you may apply to purchase a Parcel of New Securities valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 (**Nominated Subscription**).

This Parcel may be subject to a Scale Back and rounding.

Unless you are applying as a Custodian, the maximum amount of \$30,000 applies even if you receive more than one Application Form or if you hold Securities in more than one capacity (for example, if you are both a sole and joint holder of Securities – see clause 2 above) and irrespective of the number of Securities you hold on the Record Date. HPI can reject any Application for New Securities if HPI believes you have not complied with this condition.

3.2 Completing the Application Form and paying for Securities

If you wish to participate in the SPP, you must either:

- (a) make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must use the unique customer reference number shown on the instructions to the Application Form which is required to identify your holding. **If paying by BPAY®, you do not need to return your Application Form.**

Note: By using the BPAY® facility to apply for New Securities, you represent to HPI that the total of the Application price for the following does not exceed \$30,000:

- (i) the New Securities you are applying for;

- (ii) any other New Securities you are applying for under the SPP, or Securities or interests in the class issued under a similar arrangement in the 12 months before your Application under the SPP;
 - (iii) any other Securities or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other New Securities or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your Application under the SPP as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the New Securities or interests.
- (b) complete the enclosed Application Form and return it with a cheque, bank draft or money order for \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, in accordance with the instructions on the Application Form. Cheques, bank drafts and money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “**HPI SPP Offer**” and crossed “**Not Negotiable**”. HPI will not accept payment by cash.

If you wish to participate in the SPP, you are encouraged to apply via BPAY in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Application Form enclosed with this Offer Booklet if you choose this option.

Payment in cleared funds must be received by 5.00 pm (Sydney time) on the Closing Date.

3.3 HPI’s discretions regarding Applications

HPI has a broad discretion to accept or reject your Application to purchase New Securities under the SPP in whole or in part, including if:

- (a) Your Application Form does not comply with these Terms and Conditions;
- (b) your Application Form, cheque, bank draft, money order or BPAY® payment is late, incorrectly completed, incomplete or otherwise determined by HPI to be invalid;
- (c) your cheque or bank draft or money order is late, dishonoured or has not been completed correctly;
- (d) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the exact amount as indicated on the Application Form;
- (e) your BPAY® payment is not received or is incomplete or invalid;
- (f) unless you are applying as a Custodian, it appears that you are applying to buy more than \$30,000 (in aggregate) of New Securities under the SPP;
- (g) you are a Custodian, HPI is not satisfied with your certification for any reason, or if you have not provided certification;
- (h) cleared funds are not received until after the Closing Date. While HPI has the discretion to accept late Application Forms, cheques, bank drafts, money orders or BPAY® payments, there is no assurance that it will do so. Late Application Forms and cheques, bank drafts or money orders, if not processed, will be returned to you at your registered address. Late BPAY® payments may be returned to you by cheque (or any other method as HPI determines) to your registered address;
- (i) the amount of your cheque, bank draft, money order or BPAY® payment is not equal to the amount indicated on the Application Form, in which event HPI will:
 - (i) refund in full your Application monies and not allot any New Securities to you; or

- (ii) allot to you the number of New Securities that would have been allotted had you applied for the highest Parcel that is less than the amount of your payment and refund to you the excess of your Application monies by direct credit deposit to your nominated bank account or by cheque; or
- (j) HPI has reason to believe that you are not an Eligible Securityholder (subject to compliance with any applicable ASIC or ASX requirements).

HPI must reject Applications if required to do so under *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

3.4 Amount to be raised and Scale Back

HPI (in its absolute discretion) reserves the right to Scale Back Applications under the SPP.

If there is a Scale Back you may not receive all the New Securities for which you have applied. HPI may, at its absolute discretion, Scale Back the number of New Securities that will be allotted to individual Securityholders under this SPP. If a Scale Back produces a fractional number when applied to your Parcel, the number of New Securities you will be allotted will be rounded down.

If there is a Scale Back, HPI will refund to you by direct credit deposit to your nominated bank account or by cheque, the difference between your Application money and the total Issue Price for the New Securities allotted to you (provided that you will not receive a refund for an amount which is less than the Issue Price of one Security).

3.5 Interest

No interest will be paid on any Application money returned to you, or held pending the issue of New Securities under the SPP.

3.6 Significance of applying for Securities

If you apply to participate in the SPP:

- (a) your Application, on these Terms and Conditions, will be irrevocable and

unconditional (it cannot be withdrawn or cancelled);

- (b) you acknowledge that you have read and accepted these Terms and Conditions in full and you represent that all details and statements in your Application are true and complete, and not misleading (including by omission);

- (c) you declare that you were the registered holder(s) at the Record Date of the Securities indicated on the Application Form as being held by you on the Record Date;

- (d) you represent that you are and each person for whom you are acting is an Eligible Securityholder, and agree to provide (and, if applicable, direct your Custodian to provide) any requested substantiation of your eligibility to participate in the SPP;

- (e) if you are applying on your own behalf (and not as a Custodian), you acknowledge and agree that:

- (i) you are not applying for New Securities with an Application price of more than \$30,000 under the SPP (including by instructing a Custodian to acquire Securities on your behalf under the SPP);

- (ii) the total of the Application price for the following does not exceed \$30,000: (A) the New Securities you are applying for; (B) any other New Securities you are applying for under the SPP, or Securities or interests in the class issued under a similar arrangement in the 12 months before your Application under the SPP; (C) any other New Securities or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and (D) any other Securities or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your Application under the SPP as a result of you instructing the

- Custodian or another Custodian, which resulted in you holding a beneficial interest in the Securities or interests; and
- (iii) HPI will take no responsibility for Applications in excess of \$30,000;
- (f) if you are a Custodian and are applying for New Securities on behalf of an Eligible Beneficiary on whose behalf you hold Securities, you acknowledge and agree:
- (i) that you are a Custodian (as that term is defined in paragraph 4 of ASIC Corporations (*Share and Interest Purchase Plans*) Instrument 2019/547);
- (ii) that you held Securities on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Securities on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Offer Booklet before giving such instruction;
- (iii) that you are not applying for New Securities on behalf of any Eligible Beneficiary with an Application price of more than \$30,000 under the SPP; and
- (iv) to certify to us in writing the matters required by paragraph 8(3) of ASIC Corporations (*Share and Interest Purchase Plans*) Instrument 2019/547, and that the information given in that certification is true, correct and not misleading;
- (g) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (h) you agree to be bound by the constitution of HPI (as it may be amended from time to time);
- (i) you represent that you are in compliance with all relevant laws and regulations;
- (j) you authorise HPI (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
- (k) you agree that HPI may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (l) you agree that your Application is only effective when received by the Registry and not when posted;
- (m) you acknowledge that HPI may vary the timetable set out in this Offer Booklet at its discretion by lodging a revised timetable with the ASX;
- (n) you accept the risk associated with any return of Application monies (for example, in the event of a rejected Application) or other refunds that may be despatched to you by to your address shown on HPI's Securities register;
- (o) you agree to indemnify HPI for, and to pay to HPI within 5 business days of demand, any dishonour fees or other costs HPI may incur in presenting a cheque or bank draft for payment which is dishonoured;
- (p) you acknowledge that no interest will be paid on any Application monies held pending the issue of the New Securities or subsequently returned to you for any reason;
- (q) you acknowledge that none of HPI, its advisors or agents, or the Registry has provided you with investment advice, financial product advice or taxation advice, and that none of them has any obligation to provide this advice, concerning your decision to apply for and purchase New Securities;
- (r) you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in

order to assess an investment in HPI and is given in the context of HPI's past and ongoing continuous disclosure announcements to the ASX;

- (s) you acknowledge that the Offer Booklet that incorporates these Terms and Conditions does not purport to contain all of the information that an investor may require to make an investment decision;
- (t) you acknowledge that there are risks associated with acquiring and holding Securities, including those described in the immediately preceding section;
- (u) you acknowledge that none of HPI, its officers or agents are liable for any exercise of any discretions by any person referred to in these Terms and Conditions;
- (v) you acknowledge that any remaining balance of your payment, due to a rounding down of the number of New Securities, will be donated to a registered charity of HPI's choosing (provided that the remaining balance is less than the Issue Price of one New Security);
- (w) if you make payment of Application money by BPAY®, you acknowledge that you will be taken to have made all representations, warranties and undertakings set out in the Application Form as if you had validly signed and submitted an Application Form;
- (x) you declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP;
- (y) you acknowledge and agree that you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (z) you acknowledge that the New Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (**U.S. Securities Act**), or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New

Securities to be offered and sold under the SPP offer will only be offered and sold to Eligible Securityholders in Australia or New Zealand in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;

- (aa) you acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand; and
- (bb) you agree not to send any materials relating to the SPP to any person outside Australia and New Zealand.

4. Parcel price and number of New Securities

You agree to pay the total Application price of:

- (a) \$2,500;
- (b) \$5,000;
- (c) \$10,000;
- (d) \$15,000;
- (e) \$20,000;
- (f) \$25,000; or
- (g) \$30,000.

HPI shall determine the number of New Securities to be issued to each Eligible Securityholder who applies for a Parcel, by dividing the value of that Parcel by the Issue Price. If the Issue Price cannot be divided into your Nominated Subscription to give a whole number of Securities, there will be a rounding down of the number of New Securities. In accordance with clause 3.6(v), any remaining balance of your payment will be donated to a registered charity of HPI's choosing. You will not receive a refund for this amount, which will always be less than the Issue Price of one New Security.

5. Issue of Securities

On the Issue Date, HPI will issue the number of Securities to each Eligible Securityholders on the basis set out in clause 4.

New Securities issued under the SPP will, at the time of issue, rank equally with, and have the same voting rights, distribution rights and other entitlements as existing Securities.

You acknowledge the risk that the market price of Securities may change (rise or fall) between the date you submit your Application and the Issue Date, which may mean that the Issue Price you pay for the New Securities may exceed or be less than the market price of Securities on the Issue Date.

HPI will apply for New Securities issued under the SPP to be quoted on ASX. It is anticipated that the trading of the New Securities on the ASX will commence on 17 December 2020.

6. Variation and termination

HPI reserves the right at any time to:

- (a) amend or vary these Terms and Conditions;
- (b) waive compliance with any provision of these Terms and Conditions;
- (c) withdraw the SPP or suspend or terminate the SPP;
- (d) vary the timetable for the SPP, including the Closing Date;
- (e) not accept an Application, not issue New Securities, or issue New Securities to a value less than that applied for under the SPP by an Eligible Securityholders (including a Custodian applying on behalf of one or more Eligible Beneficiaries).

Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Securityholders even where HPI did not notify you of that event.

In the event the SPP is withdrawn or terminated, all Application monies will be refunded. No

interest will be paid on any money returned to you.

7. Settling disputes

HPI may settle in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any Application of New Securities. The decision of HPI is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by HPI, its Board of Directors or any of their delegates.

8. Privacy

Chapter 2C of the Corporations Act requires information about Securityholders (including their name, address and details of the Securities they hold) to be included in the public register of the entity in which they hold Securities. This information must continue to be included in the public register even if they cease to be a Securityholder.

HPI and the Registry may collect personal information to process the Application and implement the SPP, and to administer holdings of Securities.

The personal information contained in HPI's Securities register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Securityholders) and to ensure compliance with legal and regulatory requirements, including taxation laws and the Corporations Act.

The personal information HPI collects in relation to Securityholders may include the name, address, other contact details, bank account details and details of their holdings of Securities.

Securityholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law. Such individuals should contact the Registry on 1300 369 266 from within Australia or (+61) 1300 369 266 from outside Australia between 8.30 am and

5.30 pm, (Sydney time), Monday to Friday while the offer remains open.

Personal information regarding Securityholders may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers, and professional advisors), related entities of HPI and each of their agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom HPI will disclose personal information may be located overseas.

The main consequence of not providing the personal information outlined in this clause 8 would be that HPI may be hindered in, or prevented from, processing Applications, and from conducting and implementing the SPP.

The Registry's privacy policy is available on their website:
https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf

9. Taxation

Eligible Securityholders should consult their own taxation advisor about the tax status of their investment in New Securities.

10. Shortfall and Underwriting

The SPP is not underwritten.

HPI reserves its right to place any shortfall under the SPP at the Issue Price in accordance with its security issue capacity under the Listing Rules.

11. Governing law

These Terms and Conditions are governed by the laws in force in Victoria, Australia and are to be interpreted in accordance with their spirit, intention and purpose.

12. Inconsistency

These Terms and Conditions prevail to the extent of any inconsistency with the Application Form.

DEFINITIONS

Allotment Date	The date on which New Securities are allotted under the SPP.
Application	A correctly completed and submitted Application Form and attached application monies or a payment via BPAY®.
Application Form	The Application Form relating to the SPP that you received with this Offer Booklet, including the instructions. This may include a deemed Application Form in the same terms, where a valid BPAY® payment is made.
ASIC	Australian Securities and Investments Commission.
ASX	The Australian Securities Exchange, or the equivalent market operated by ASX Limited ABN 98 008 624 691 as the context requires.
Beneficiary	A person on whose behalf a Custodian is holding Securities as at the Record Date.
Board	The board of directors of HPI.
Closing Date	5.00 pm (Sydney time) on 10 December 2020.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Custodian	a custodian, trustee or nominee within the definition of “custodian” in <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Despatch Date	The date on which the transaction confirmation statements are despatched to participating Eligible Securityholders.
Dollars, \$ or A\$	Australian dollars.
Eligible Beneficiary	A Beneficiary with a registered address in either Australia or New Zealand, provided that such Beneficiary is not, or is not acting for the account or benefit of, a person in the United States.

Eligible Securityholder	<p>A person who, at the Record Date, was recorded in HP’s Securities register as being a registered holder of Securities with a registered address in:</p> <ul style="list-style-type: none"> • Australia; or • New Zealand, <p>and who is not an Excluded Securityholder.</p>
Excluded Securityholder	<p>Any of the following registered holders of Securities:</p> <ul style="list-style-type: none"> • a holder who holds Securities (either on their own account or the account of another person) who resides outside Australia or New Zealand; or • a holder who is, or is acting for the account or benefit of, a person in the United States.
HPI	<p>Hotel Property Investments which comprises Hotel Property Investments Limited (ABN 25 010 330 515) and Hotel Property Investments Trust (ARSN 166 484 377) the responsible entity of which is Hotel Property Investments Limited (ABN 25 010 330 515).</p>
Issue Date	<p>The date on which Securities are issued under the SPP which is expected to occur on 17 December 2020.</p>
Issue Price	<p>\$3.04 per New Security.</p>
Listing Rules	<p>The listing rules of the ASX.</p>
New Security	<p>New Securities in HPI offered under the SPP.</p>
Nominated Subscription	<p>The total dollar amount subscribed for, being the Parcel multiplied by the Issue Price.</p>
Offer Booklet	<p>this offer booklet in respect of the SPP.</p>
Opening Date	<p>10.00 am (Sydney time) on 27 November 2020.</p>
Parcel	<p>A number of New Securities in respect of an amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, at the Issue Price.</p>
Placement	<p>The placement of new Securities pursuant to the institutional placement announced on 19 November 2020.</p>
Record Date	<p>7.00 pm (Sydney time) on 18 November 2020.</p>

Registry	Link Market Services Limited.
Scale Back	Any reduction in allotments of New Securities under the SPP.
Scale Back Date	14 December 2020.
Security or Securities	A fully paid ordinary stapled security in HPI (comprising a share in Hotel Property Investments Limited and a unit in Hotel Property Investments Trust).
Securityholder(s)	Holder(s) of Securities.
SPP	This Security Purchase Plan.
Terms and Conditions	The terms and conditions of the SPP set out in this Offer Booklet, including these Definitions and the Application Form.
U.S. Securities Act	The Securities Act of 1933, as amended.
VWAP	Volume weighted average price.

CORPORATE DIRECTORY

Registered office

Suite 2, Level 17, 60 City Rd
Southbank, VIC 3006

Legal advisor

Allen & Overy
Level 25/85 Castlereagh St
Sydney NSW 2000

Registry

Link Market Services
Tower 4, Collins Square Level 13, 727 Collins St
Melbourne, VIC 3000

Website

Information about the SPP and Placement can be found via HPI's website at www.hpitrust.com.au

HPI Offer Information Line

1300 369 266 from within Australia or (+61) 1300 369 266 from outside Australia

Open between 8.30 am and 5:30 pm (Sydney time), Monday to Friday while the Offer remains open for acceptance.