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14 June 2022

Hotel Property Investments (ASX Code: HPI)
New Employment Agreement with Chief Executive Officer & Managing Director

Hotel Property Investments Limited (“HPI” or “the Company”) advises that it has updated its employment agreement with the Chief Executive Officer & Managing Director, Mr Don Smith.

Mr Smith was appointed Chief Executive Officer & Managing Director on 1 October 2018 and his employment agreement has not been updated since that time. The Board of the Company advises that it reviewed its executive employment agreements and resolved to enter into new employment agreements with Mr Smith (and the Chief Financial Officer, Mr Blair Strik), which have been updated having regard to comparable market benchmarks.

In accordance with ASX Listing Rule 3.16.4, a summary of the material terms of Mr Smith’s employment agreement is outlined in the attached Schedule.

This ASX announcement was authorised by the Hotel Property Investments Limited Board.

Blair Strik
Company Secretary
Hotel Property Investments Limited

SCHEDULE

Summary of material terms of Mr Smith's employment agreement with HPI

Agreement effective date	14 June 2022
Term	No fixed term. Ongoing until terminated by either party
Total Fixed Remuneration (TFR)	\$485,000 per annum (inclusive of superannuation). Mr Smith's TFR is currently being reviewed as part of the company's normal remuneration cycle.
Short Term Incentive (STI Plan)	<p>Mr Smith is eligible to participate in the Company's short term incentive (STI) plan, under which Mr Smith is eligible to receive short term incentives in the form of an annual cash bonus based on achieving results in terms of added securityholder value, individual performance and demonstration of the Company's values.</p> <p>Mr Smith's maximum potential STI plan payment per annum is capped at 75% of Mr Smith's TFR.</p> <p>Mr Smith's ongoing participation in the STI plan is at the sole and absolute discretion of the Company and subject to Mr Smith's ongoing employment with the Company. Mr Smith's grant for the current financial year is currently being reviewed as part of the company's normal remuneration cycle.</p> <p>For clarity, there has been no change to the terms of the STI plan.</p>
Long Term Incentive	<p>Mr Smith's long term incentive remains unchanged for the current financial year, and the details of his current long term incentives are set out in Mr Smith's Appendix 3Y filed with ASX on 18 November 2021.</p> <p>Mr Smith's long term incentive grant beyond the current financial year will be considered later in 2022.</p> <p>For clarity, there has been no change to the terms of the LTI plan.</p>
Termination	<p>The Company may immediately terminate Mr Smith's employment without notice or payment in lieu of notice if Mr Smith engages in serious misconduct.</p> <p>Either party may terminate the agreement by giving 6 months' written notice (or in the case of the Company, 6 months' payment in lieu of notice, or a combination of notice and payment in lieu of notice).</p> <p>On termination, any benefit provided to Mr Smith is subject to the relevant cap under section 200B of the Corporations Act, unless any benefit in excess of that cap has been the subject of prior shareholder approval.</p>

Restraint	Mr Smith is subject to certain restrictive covenants, including being restricted from being involved with certain competitors, from soliciting Company employees, and from persuading people who do business with the Company to cease or reduce their business with the Company, for up to 12 months post-termination of Mr Smith's employment and within Australia.
Material Diminution	If a change of control event in relation to the Company results in a material diminution in Mr Smith's role or responsibilities, Mr Smith will be entitled to a one-off payment equal to 12 months of the cash salary component of his TFR.
Other Terms	Mr Smith's employment agreement otherwise contains standard terms and conditions for agreements of its nature, including the protection of the Company's confidential information and intellectual property and leave in accordance with statutory entitlements.