

Hotel Property Investments Limited

Board Charter

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1 Definitions and interpretation

1.1 Definitions

In this document, unless the context requires otherwise:

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

“**ASX Listing Rules**” means the listing rules of the ASX.

“**Audit and Risk Management Committee**” means the audit and risk management committee of the Board.

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

“**Board Meeting**” means a duly convened meeting of the Board.

“**Chair**” means the Chair of the Board of the Company, from time to time.

“**Closed Periods**” has the meaning given to that term in section 12.2.

“**Committees**” means the Audit and Risk Management Committee, Human Resources and Nominations Committee, Responsible Entity Compliance Committee and any other committee established by the Board from time to time.

“**Common Director**” has the meaning given to that term in section 6.1(a).

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

“**Compliance Officer**” means the person appointed by the Board to ensure the Company complies with its Continuous Disclosure Obligations.

“**Constitution**” means the constitution of the Company.

“**Continuous Disclosure Obligations**” means the obligations of the Stapled Group under ASX Listing Rule 3.1.

“**Continuous Disclosure Policy**” means the policy relating to the Stapled Group’s compliance with its Continuous Disclosure Obligations, as set out in Schedule 6.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Deputy Compliance Officer**” means the person appointed by the Board to assist the Compliance Officer to ensure the Stapled Group complies with its Continuous Disclosure Obligations.

“**Director**” means a director of the Company, from time to time.

“**Human Resources & Nominations Committee**” means the human resources & nominations committee of the Board.

“**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 Stapled Group, directly or indirectly, including any director.

“Managing Director” means the Chief Executive Officer or Managing Director of the Stapled Group.

“Other Company” has the meaning given to that term in section 6.1(a).

“Prohibited Period” has the meaning given to that term in section 12.4.

“Related Party” has the meaning given to that term in section 9 of the Corporations Act.

“Relevant Interest” has the meaning given to that term in section 15.1(a).

“Responsible Entity” means Hotel Property Investments Limited ACN 010 330 515 as the responsible entity of the Trust.

“Responsible Entity Compliance Committee” means the responsible entity and compliance committee of the Board.

“Security Trading Policy” means the policy relating to trading in the Stapled Group’s securities by Key Management Personnel, as set out in Schedule 6.

“Senior Management” means the members of the executive management, including executive directors, of the Company from time to time.

“Stapled Group” means the Company and the Trust and each of their subsidiaries, from time to time.

“Trading Windows” has the meaning given to that term in section 12.2.

“Trust” means Hotel Property Investments Trust ARSN 166 484 377 constituted by and under a trust deed dated 2 February 1982, as amended from time to time.

“Shareholder” means a holder of shares in the Company.

2 Board of directors

The Board will to the extent practicable given the size and composition of the Board from time to time, comprise a majority of independent Directors and an independent Chair.

For details on the responsibilities and duties of the Board, refer to section 5.2.

3 Board committees

The Audit and Risk Management Committee shall comprise not less than three Directors, including an independent Chair.

The Human Resources & Nominations Committee shall comprise not less than three Directors, including an independent Chair.

The Responsible Entity Compliance Committee (**RECC**) shall comprise not less than three members including an independent Chair who is a Director of the Company.

The Board may establish other Committees from time to time. All Directors are entitled to attend any meeting of these Board Committees.

For details on the responsibilities and duties of the Audit and Risk Management Committee, refer to section 9 and its charter at Schedule 3.

For details on the responsibilities and duties of the Human Resources & Nominations Committee, refer to section 9 and its charter at Schedule 4

For details on the responsibilities and duties of the Responsible Entity Compliance Committee, refer to section 9 and its charter at Schedule 5.

4 Stapling arrangements

- 4.1 The Company and the Responsible Entity are parties to a stapling deed pursuant to which they have agreed to the shares in the Company being stapled to the units in the Trust, and listed on the ASX, being quoted together as a single stapled security.
- 4.2 While the stapling arrangements are in force, and subject to the Corporations Act the Directors of the Company must act honestly, exercise care and diligence, and have regard to the best interests of the Stapled Group and holders of the stapled securities (**Securityholders**) as a whole and not only the interests of the Company and the holders of the shares or the interests of the Trust and the holders of units in the trust (as the case may be).

5 Corporate governance

5.1 Role of the Board

The role of the Board is to oversee the strategic direction and overall management of the Stapled Group. This role is to be performed whilst ensuring that the rights and interests of the Stapled Group, its Securityholders, and other stakeholders are protected, and that the Board is accountable to them for the overall management of the Stapled Group.

5.2 Responsibilities of the Board

The Board's responsibilities include:

- (a) protecting and enhancing the value of the assets of the Stapled Group;
- (b) setting strategy and monitoring against strategic objectives;
- (c) reviewing and ratifying risk management systems, frameworks, internal controls, codes of conduct and legal compliance;
- (d) approving and monitoring financial and other reporting and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (e) overseeing the integrity of the Stapled Group's accounting and corporate reporting systems, including the external audit;
- (f) reporting to Securityholders in accordance with the Corporations Act and ASX listing rules in respect of continuous disclosure;
- (g) approval of the charters of the Committees;
- (h) actively promoting ethical and responsible decision-making, including establishing, maintaining, and monitoring compliance of appropriate codes of conduct and other significant corporate policies;
- (i) approval and review of the annual operating budget for the Stapled Group;
- (j) evaluating performance and determining the remuneration of Key Management Personnel;
- (k) ensuring the significant risks facing the Stapled Group have been identified and adequate control monitoring and reporting mechanisms are in place;

- (l) reviewing and monitoring all reported material breaches of the Stapled Group's codes and policies, including the Code of Conduct, Whistle-blower Policy and Corruption and Fraud Detection and Prevention Policy;
- (m) consider gender and other diversity in the composition of its board, Senior Management and workforce generally;
- (n) approval of transactions relating to acquisitions, divestments, capital expenditure and financing;
- (o) setting and approving financial and dividend policy;
- (p) considering and (if thought appropriate) authorising the payment of dividends; and
- (q) consideration and authorisation of distributions of the Trust to the extent permitted by the stapling deed described in section 4.

To assist in the execution of these responsibilities, the Board has in place an Audit and Risk Management Committee, a Human Resources & Nominations Committee and a Responsible Entity Compliance Committee. The Board may establish other committees from time to time, and resolve to delegate some of the Board's authority from time to time as required.

5.3 Structure of the Board

- (a) The number of Directors must not be less than 3 (clause 25.1 of the Company's Constitution and section 201A (2) of the Corporations Act).
- (b) With the exception of the Managing Director, if one has been appointed, a Director may not hold office for more than three years or beyond the third annual general meeting following his or her appointment (whichever is the longer period) without submitting himself or herself for re-election (clause 25.10 of the Constitution and ASX Listing Rule 14.4).
- (c) The Board will, to the extent practicable, comprise a majority of independent Directors, to ensure that the Stapled Group is run in its best interests and, accordingly, in the best interests of Securityholders.
- (d) The Board will conduct an annual assessment of the independence of its non-executive Directors.
- (e) In assessing the independence of Directors, the Board will apply the definitions contained in the ASX Corporate Governance Council, '*Corporate Governance Principles and Recommendations 2019*' (4th ed) as set out in Schedule 1.

The composition of, and terms of reference for, the Board is to be reviewed annually by the Board and the Board, under the direction of the Chair is to assess the effectiveness of the Board.

5.4 Policy and procedures for selection, nomination, appointment, retirement and rotation

- (a) The Board shall take into account the advice to it from the Human Resources & Nominations Committee (HR&NC) when deciding upon the appointment, election, removal, retirement and rotation of Directors and the provisions of clauses 25.5 to 25.10 of the Constitution of the Company.
- (b) The Board requires the HR&NC to review the composition of the Board and the succession plans for Directors on a regular basis and at least semi-annually.
- (c) The Board shall consider the initial assessment of the necessary and desirable competencies for any new Director submitted by the HR&NC for consideration by the Board.
- (d) The Board will approve, when appropriate, the HR&NC engaging the services of an external consultant to search for appropriate candidates for directorship.

- (e) In considering any candidate for directorship, the Board shall review the advice provided to it by the HR&NC which will include amongst other things:
- (i) details of the skills, knowledge, experience and diversity required on the Board and the extent to which each is currently represented by current Directors on the Board;
 - (ii) the business and strategic needs of the Stapled Group;
 - (iii) the need to cater for replacement Directors ahead of scheduled and proposed retirements;
 - (iv) the biographical details including competencies, values and qualifications of the candidate and the candidate's relevant industry experience;
 - (v) the necessary time a candidate as a new Director would be required to provide to the Company to discharge the obligations of being a Director of the Company; and
 - (vi) details of other business and personal commitments of the candidate.
- (f) A candidate will be interviewed by the Chair and any other person that the Chair considers appropriate after receiving any recommendation from the HR&NC. Prior to an appointment being made the HR&NC will ensure that all Directors will be provided with the opportunity to meet a candidate proposed for appointment as a Director.
- (g) The Board collectively will consider any potential candidate to become a Director of the Company based on the advice provided to it by the HR&NC and, if it resolves to do so, the Board will extend an invitation to become a Director to an approved candidate.
- (h) Before being appointed as a Director, and before being submitted as a candidate for re-election, candidates for the position of non-executive Director will be required to specifically acknowledge to the HR&NC for the benefit of the Company that they have sufficient time to meet the Company's expectations of them in the discharge of the duties as one of the Directors of the Company.
- (i) The appointment of any new Director will be made by, and in accordance with, a formal letter of appointment setting out the key terms and conditions relative to that appointment when authorised and signed by or on behalf of the Board.
- (j) The HR&NC is required by the Board to ensure that any new Director is appropriately introduced to the Company and amongst other things, will provide to any new Director:
- (i) a copy of the Company's Constitution;
 - (ii) a copy of the Trust deed;
 - (iii) a copy of this Board Charter;
 - (iv) the most recent Annual Report of the Stapled Group;
 - (v) a draft of the deed of indemnity, insurance and access given by the Company to each Director; and
 - (vi) where appropriate, a summary of the most recent strategic plan of the Stapled Group.
- (k) The HR&NC will also ensure that any new Director is acquainted with:
- (i) knowledge of the industry within which the Stapled Group operates;
 - (ii) visits to specific operations of the Stapled Group when appropriate;

- (iii) the legal duties and responsibilities as a Director under the ASX Listing Rules and other key legislation;
 - (iv) key accounting matters (to the extent required) and on the responsibilities of directors in relation to the Stapled Group's financial statements; and
 - (v) briefings with the Senior Management and industry experts where appropriate.
- (l) Although Directors are elected by the Securityholders to bring special expertise or perspective to Board deliberations, the best interests of the Stapled Group will be paramount at all times.
 - (m) Re-appointment of the Company's Directors will not be automatic. Any Director seeking re-election will be subject to a performance review by the HR&NC and their peer Directors.

5.5 Remuneration

- (a) The fees payable to non-executive Directors are determined by the Board within the aggregate amount approved by Securityholders.
- (b) Non-executive Directors (including the Chair) will collectively be paid from a fixed sum out of the funds of the Stapled Group as remuneration for their services as Directors. The fixed sum has been set by the Board at a maximum of \$900,000 per annum. This amount can only be increased by the passing of an ordinary resolution of Securityholders.

5.6 Directors' retirement benefit

During Directors' tenure as Directors of the Company, the Company will make superannuation guarantee payments on behalf of Directors at the rate prescribed by, and in accordance with, the provisions of the superannuation guarantee legislation from time to time.

5.7 Independent counsel

An individual Director may engage separate independent counsel or advisors at the reasonable expense of the Company in appropriate circumstances, with the approval of the Chair or by resolution of the Board.

5.8 Board meetings

(a) Agenda

The Chair, with the assistance of Senior Management, establishes the agenda for each Board Meeting. Each Director may suggest the inclusion of items on the agenda.

(b) Notice

At least 5 days' notice of Board Meetings will be given and material on the items to be considered at each Board Meeting will be provided at least 5 days in advance of the Board Meeting.

(c) Number of Meetings

The Board will meet no less than 6 times a year. Telephone or video conferences may be held if required.

(d) Attendance by management

Senior Management may attend Board Meetings by invitation.

(e) Private Meetings

At each Board Meeting, the Board will meet in private without Senior Management. Where the Board meets to consider a matter in respect of which a Director is conflicted, the Board may meet without that Director present, provided that the Director will be entitled to be present for all matters other than those in respect of which he or she is conflicted.

5.9 Directors' obligations

- (a) Directors must:
- (i) act in the best interests of the Stapled Group and having regard to the good reputation of the Stapled Group;
 - (ii) at all times act in good faith and honestly in the exercise of their powers and the discharge of the duties of their office;
 - (iii) exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in the Stapled Group's circumstances (refer to section 5.9(b));
 - (iv) ensure that at all times they have a good understanding of strategies and the businesses conducted by the Stapled Group;
 - (v) carefully study Board materials and issues;
 - (vi) be active, objective and constructive in their participation at meetings of the Board and Committees;
 - (vii) assist in representing the Stapled Group to the public;
 - (viii) counsel on corporate issues;
 - (ix) not take improper advantage of their position as a Director;
 - (x) give the Stapled Group all information required by the *Corporations Act*;
 - (xi) ensure that they have a good understanding of general economic trends and corporate governance;
 - (xii) minimise the possibility of conflict of interest in their involvement with the Stapled Group by restricting their involvement in other similar businesses; and
 - (xiii) not permit the Company to engage in insolvent trading.
- (b) A Director will be deemed to have met the requirement of care and diligence, as set out in section 5.9(a)(iii), if:
- (i) the judgement was made in good faith and for a proper purpose;
 - (ii) the Director does not have a material personal interest in the subject matter of the judgement;
 - (iii) the Director informed himself/herself about the subject matter of the judgement to the extent he/she reasonably believes to be appropriate; and
 - (iv) the Director rationally believes that the judgement is in the best interests of the Stapled Group.

6 Conflicts of interest

6.1 Company's acknowledgments

- (a) Some of the Directors (in this section referred to as the "**Common Director**") may, from time to time, hold directorships in other companies (in this section referred to as the "**Other Company**").
- (b) Any information confidential to the Other Company which a Common Director possesses and which came into his or her possession in the course of the performance of his or her duties as an officer of the Other Company cannot and shall not be communicated to any member of the Company or any officer or employee of the Company without the consent of the Other Company.
- (c) Any information which a Common Director possesses in relation to the Other Company which is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of the Other Company cannot and shall not be communicated to the Stapled Group or any officer or employee of the Stapled Group.

6.2 Meetings at which conflicts arise

- (a) Where at any meeting of the Stapled Group it is proposed to discuss any matter which gives rise or may give rise to a conflict or a real sensible possibility of a conflict of interest between the duties and obligations of the Common Director to the Company and to the Other Company, the Common Director:
 - (i) must not be present while that matter is being considered; and
 - (ii) must not vote on that matter,
 unless the other Directors pass a resolution that states, effectively, that those Directors, having considered the nature and extent of the conflict or possible conflict, are satisfied that the matter should not disqualify the Common Director from being present or voting.
- (b) A Common Director may at any meeting of the Company request that the meeting be postponed or temporarily adjourned to enable him or her to seek legal advice on whether he or she can:
 - (i) be present while the matter in question is being considered; and
 - (ii) vote on the matter in question.

7 Performance Reviews

7.1 Review of the Board and Individual Directors

- (a) With guidance from the HR&NC, the Board will regularly carry out a review of the performance of the Board, and each Director, using where necessary an external consultant, against appropriate measures. The review will assess:
 - (i) the effectiveness of the Board in meeting the requirements of the charter;
 - (ii) whether the Board has members with the appropriate mix of skills and experience to properly perform their functions;
 - (iii) the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings;
 - (iv) whether adequate time is being allocated to the Stapled Group's matters, taking into account each director's other commitments;

- (v) whether there is a need for any existing Director to undertake professional development to maintain the skills and knowledge required to perform their role as a Director effectively; and
- (vi) the independence of each non-executive Director, taking into account the Director's other interests, relationships and directorships.

7.2 Review of Committees

- (a) Each Committee will annually review its performance and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Committee.
- (b) The manner of the evaluation is generally to be determined by the relevant Committee chair, and will vary given:
 - (i) the particular responsibilities of each Committee;
 - (ii) the number of Committee meetings; and
 - (iii) the number of Committee members.

7.3 Review of Senior Management

- (a) All of the Company's Senior Management (if any) will be subject to annual performance reviews.
- (b) The annual performance review of the Managing Director involves being evaluated by the chair with ultimate oversight by the Board.
- (c) The evaluation of the members of Senior Management may involve an assessment of a range of factors including the overall performance of the Stapled Group and the achievement of specific pre-determined goals.

8 Related Party transactions

- 8.1 The Board must ensure that any dealings between the Stapled Group and its Related Parties are conducted in accordance with the Corporations Act, the ASX Listing Rules and any other laws or regulations governing Related Party transactions.
- 8.2 The Board may, at its discretion, adopt policies from time to time to assist in managing Related Party transactions.

9 Board committees

9.1 General

- (a) The Board has established the Audit and Risk Management Committee, Human Resources & Nominations Committee, and Responsible Entity Compliance Committee, and may establish other Committees from time to time.
- (b) The Committees review and analyse policies which are within their terms of reference (detailed in Schedule 3 in respect of the Audit & Risk Management Committee, Schedule 4 in respect of the Human Resources & Nominations Committee, and Schedule 5 in respect of the Responsible Entity and Compliance Committee).
- (c) The Committees examine proposals and, where appropriate, report and/or make recommendations to the Board.
- (d) The Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

- (e) The composition and terms of reference for the Committees are reviewed annually by the Board. The Board, under the direction of the Chair assesses the effectiveness of each Committee annually.
- (f) A Board Committee may engage separate independent counsel or advisors at the expense of the Company, in appropriate circumstances, with the approval of the Chair or by resolution of the Board.

9.2 Audit and Risk Management Committee

- (a) The purpose of the Audit and Risk Management Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to:
 - (i) the integrity of the Stapled Group's financial reporting;
 - (ii) the effectiveness of the Stapled Group's systems of financial risk management and internal control;
 - (iii) the external audit functions;
 - (iv) the Stapled Group's risk profile and risk policy; and
 - (v) the effectiveness of the Stapled Group's risk management framework and supporting risk management systems.
- (b) The Audit and Risk Management Committee is appointed from time to time by the Board and its composition will be reviewed annually by the Board.
- (c) The Audit and Risk Management Committee will consist of not less than three members, and to the extent practicable, comprise non-executive Directors and a majority of independent Directors. The Chair of the Audit and Risk Management Committee must be an independent Director other than the Chair.
- (d) Each member will be financially literate, have familiarity with financial management and an understanding of the industries in which the Stapled Group operates. At least one member will have relevant qualifications and experience (that is, a qualified accountant or other finance professional with experience of financial and accounting matters) and some members should have an understanding of the property industry.
- (e) The Audit and Risk Management Committee will meet at least four times per annum, preferably once in each calendar quarter.
- (f) The Audit and Risk Management Committee has unrestricted access to management and the external auditor and may conduct or direct investigations into any matters within its charter.

9.3 Human Resources & Nominations Committee

- (a) The purpose of the Human Resources & Nominations Committee is to recommend to the Board policies and practices which enable the Company to attract, develop, retain and motivate high calibre Directors and Key Management Personnel (KMP).
- (b) The Committee will review and make recommendations on director appointments as well as policies for remuneration, development, retention and termination of Directors and KMP ensuring that these policies:
 - (i) attract, motivate and retain high calibre people;
 - (ii) enhance diversity of experience and perspective in decision-making;
 - (iii) reward for performance and promote the continued development of a high performance culture;
 - (iv) support the development of leadership behaviours and capabilities;

- (v) are in line with current governance, accounting, legal and disclosure requirements;
 - (vi) are approved by the Board; and
 - (vii) are applied fairly and consistently.
- (c) The Human Resources & Nominations Committee will consist of not less than three members, and to the extent practicable, comprise non-executive Directors and a majority of independent Directors. The Chair of the Human Resources & Nominations Committee must be an independent Director.
 - (d) The Committee does not have executive powers to commit the Board or management to its recommendations except where authorised by a resolution of the Board.
 - (e) The Committee does not become involved in day to day management activities or decision-making.
 - (f) No individual will be directly involved in determining their own remuneration.
 - (g) As a minimum, the Human Resources & Nominations Committee shall meet once per year.

9.4 Responsible Entity Compliance Committee Charter

- (a) The purpose of the Responsible Entity Compliance Committee is to assist the Board to discharge its duties as Responsible Entity to the Trust by undertaking functions under section 601JC of the Corporations Act 2001.
- (b) The Committee's responsibilities include corporate governance and oversight relating to:
 - (i) ensuring the Trust has a documented compliance plan that meets the requirements of the Corporations Act on an ongoing basis;
 - (ii) assessing the compliance plan at regular intervals (as determined by Responsible Entity Compliance Committee) to assess whether the compliance plan is adequate;
 - (iii) making recommendations to the Responsible Entity on amendments to the compliance plan;
 - (iv) ensuring the Responsible Entity adequately deals with actual or suspected breaches of the Corporations Act;
 - (v) monitoring follow up action taken by the Responsible Entity on implementing recommendations made by the Responsible Entity Compliance Committee;
 - (vi) reporting to ASIC if the Responsible Entity has not taken or does not propose to take action to deal with a reported breach;
 - (vii) appointing the compliance plan auditor and monitor their performance; and
 - (viii) doing such things the Corporations Act requires.
- (c) The Responsible Entity Compliance Committee will consist of not less than three members. The Chair of the Responsible Entity Compliance Committee must be an independent Director.
- (d) The Responsible Entity Compliance Committee will meet at least four times per annum, preferably once in each calendar quarter.
- (e) The Responsible Entity Compliance Committee has authority to access management and rights to seek explanations and additional information from management.

10 Chair of Directors

10.1 Introduction

- (a) The Board supports the separation of the role of Chair from that of the chief executive officer.
- (b) The general role of the Chair is to manage the Board effectively, to provide leadership to the Board and to interface with Senior Management.
- (c) The Chair must be an independent, non-executive Director.
- (d) The Chair should retain an independent perspective to best represent the interests of the Stapled Group, Securityholders and the Board.

10.2 Managing the board

The Chair will:

- (a) ensure that the Board has full governance of the Stapled Group's business and affairs and that the Board is alert to its obligations to the Stapled Group, Securityholders and management under the law;
- (b) ensure that the composition and size of the Board are appropriate for it to adequately discharge its responsibilities;
- (c) provide leadership to the Board, assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Stapled Group and the achievement of its objectives;
- (d) facilitate the effective contribution of all Directors;
- (e) communicate with the Board to keep it up to date on all major developments, including timely discussion of potential developments and directing management to ensure that the Board has sufficient knowledge to permit it to make major decisions when such decisions are required;
- (f) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- (g) co-ordinate the agenda, information packages and related events for Board meetings with Senior Management;
- (h) chair Board meetings;
- (i) attend Committee meetings where appropriate; and
- (j) act in a manner such that Board and Committee meetings are conducted in an efficient, effective, respectful and focused manner.

10.3 Relations with Securityholders and the public

The Chair will:

- (a) chair meetings of Securityholders;
- (b) manage and oversee the interfaces between the Stapled Group and the public and to act as the principal representative for the Stapled Group; and
- (c) take steps such that the Board is appropriately represented at official functions and meetings with major Securityholder groups, other stakeholder groups (including suppliers, customers, employees, governments, regulators and local communities), financial analysts, financial press, and debt and equity providers.

11 Delegated authorities

11.1 Obligations pursuant to Constitution

Pursuant to the Constitution, the business of the Company will be managed by the Board and the Board may exercise all the powers of the Company except any powers that are required by the Constitution or the Corporations Act to be exercised by the Company in general meeting. This includes, without limitation, the powers to:

- (a) borrow money;
- (b) grant security interests in relation to any of the Company's property, business or uncalled capital to secure any debt, liability or obligation of the Company or any other person;
- (c) issue debentures;
- (d) guarantee, indemnify or otherwise become liable for the payment of money or the performance of any obligation by or of any other person;
- (e) pay out of the Company's funds all expenses of the promotion, formation and registration of the Company and the vesting in it of the assets acquired by the Company; and
- (f) vary, remove, effect or suspend the provisions of the Constitution relating to the stapling arrangements described in section 4 in accordance with the Constitution.

11.2 Primary role of the Board

The Board has determined its primary roles to include:

- (a) **Fiduciary requirements**
 - (i) Approval of major transactions - acquisition/divestments (certain major transactions may also require the approval of Securityholders pursuant to the Listing Rules of the ASX).
 - (ii) Approval of capital expenditures above delegated authorities.
- (b) **Securityholder Value/Corporate Strategy**
 - (i) Portfolio composition.
 - (ii) Risk profile.
 - (iii) Return expectation.
 - (iv) Financial policy.
 - (v) Results reporting.
 - (vi) Reviewing the Stapled Group's performance against its strategic objectives.
- (c) **Other Financial**
 - (i) Developing and signing off on budgets.
 - (ii) Setting gearing policy and managing gearing process.
 - (iii) Financial risk management including hedging.
- (d) **Selection of Directors and CEO**
 - (i) Recruitment.
 - (ii) Performance review.
 - (iii) Remuneration.
- (e) **Processes**

For the efficient discharge of responsibilities.

11.3 Delegation powers

The formulation and implementation of certain aspects of the Board's responsibilities and duties may be through the delegation of certain of its powers to a committee of Directors by the authority of Section 198D of the Corporations Act:

"Section 198D Delegation"

198D(1) [Delegation of powers] The Directors may delegate any of their powers to a committee of Directors, a Director, an employee of the Company or any other person.

198D(2) [Exercise by delegate] The delegate must exercise the powers delegated in accordance with any directions of the Directors.

198D(3) [Effect of exercise of powers] The exercise of the power by the delegate is as effective as if the Directors exercised it.

11.4 Delegations of authority to Senior Management

To assist the Board to discharge its responsibilities and duties it has resolved to delegate responsibility for the day-to-day leadership and management of the Stapled Group and its business to Senior Management pursuant to the Company's Delegation of Authority policy.

SCHEDULE 1 - DIRECTOR INDEPENDENCE

The ASX Corporate Governance Council, '*Corporate Governance Principles and Recommendations 2019*' (4th ed) ("**Recommendations**") define the concept of 'independence'.

An independent director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independent judgement.

The Recommendations provide that an 'independent director' is a non-executive director and:

- (a) is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- (b) (*within the last three years*) has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such appointment;
- (c) (*within the last three years*) has not been a principal of a material professional adviser or material consultant to the company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- (e) has no material contractual relationship with the company or other group member other than as a director of the company.

Family ties and cross-directorships may be relevant considering interests and relationships which may compromise independence, and should be disclosed by directors to the board.

SCHEDULE 2 - PRO-FORMA AGREEMENT - DISCLOSURE OF DIRECTORS' INTEREST

[Title] [Last Name]
 [Address]
 [City] [State] [Country]

Dear [First Name]

Re: Hotel Property Investments Limited – ASX Listing Rule 3.19B

Hotel Property Investments Limited (“**the Company**”) is required, under the Listing Rules of the ASX Limited (“**ASX**”), to disclose to ASX details of directors’ interests in securities, and in contracts relevant to securities. The Company is also required to enter into an agreement with directors under which directors are obliged to provide the necessary information to the entity.

If you agree to the following terms, please sign and return the **enclosed** copy of this letter.

Initial disclosure

- 1 You will provide the following information as at [date].
 - (a) Details of all securities registered in your name. These details include the number and class of the securities.
 - (b) Details of all securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. These details include the number and class of the securities, the name of the registered holder and the circumstances giving rise to the relevant interest.
 - (c) Details of all contracts (other than contracts to which the Company is a party) to which you are a party or under which you are entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued and the nature of your interest under the contract.
- 2 You will provide the required information as soon as reasonably possible after [date] and in any event no later than ten business days after [date].

Ongoing disclosure

- 3 You will provide the following information.
 - (a) Details of changes in securities registered in your name other than changes occurring as a result of corporate actions by the Company. These details include the date of the change, the number and class of the securities held before and after the change, and the nature of the change, for example on-market transfer. You will also provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.
 - (b) Details of changes in securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. These details shall include the date of the change, the number and class of the securities held before and after the change, the name of the registered holder before and after the change, and the circumstances giving rise to the relevant interest. You will also provide details

of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.

- (c) Details of all changes to contracts (other than contracts to which the Company is a party) to which you are a party or under which you are entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the date of the change, the number and class of the shares, debentures or interests to which the interest relates before and after the change, the name of the registered holder if the shares, debentures or interests have been issued, and the nature of your interest under the contract.
- 4 You will provide the required information as soon as reasonably possible after the date of the change and in any event no later than three business days after the date of the change.

Final disclosure

- 5 You will provide the following information as at the date of ceasing to be a director.
- (a) Details of all securities registered in your name. These details include the number and class of the securities.
 - (b) Details of all securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the corporations Act. These details include the number and class of the securities, the name of the registered holder and the circumstances giving rise to the relevant interest.
 - (c) Details of all contracts (other than contracts to which the Company is a party) to which you are a party or under which you are entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by the Company or a related body corporate. These details include the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued and the nature of the interest under the contract.
- 6 You will provide the required information as soon as reasonably possible after the date of ceasing to be a director and in any event no later than three business days after the date of ceasing to be a director.

Agency

- 7 You authorise the Company to give the information provided by yourself to ASX on your behalf and as your agent.

Securities

“**Securities**” for the purposes of this letter means the shares of the Company and units of Hotel Property Investments Trust ARSN 166 484 377 which have (pursuant to a stapling deed) been stapled and listed on the ASX as a single stapled security.

Very best regards

[insert name]
[Authorised Representative]

SCHEDULE 3 - AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

**SCHEDULE 4 – HUMAN RESOURCES & NOMINATIONS COMMITTEE
CHARTER**

**SCHEDULE 5 – RESPONSIBLE ENTITY COMPLIANCE COMMITTEE
CHARTER**

SCHEDULE 6 - SECURITY TRADING POLICY

SCHEDULE 7 - CONTINUOUS DISCLOSURE POLICY

SCHEDULE 8 - CODE OF CONDUCT

SCHEDULE 9 - RISK MANAGEMENT POLICY

SCHEDULE 10 - SECURITYHOLDER COMMUNICATION POLICY

SCHEDULE 11 - PROCESS FOR EVALUATION OF PERFORMANCE

SCHEDULE 12 - DIVERSITY POLICY

SCHEDULE 13 – WHISTLE BLOWER PROTECTION POLICY

**SCHEDULE 14 – CORRUPTION AND FRAUD DETECTION AND
PREVENTION POLICY**