



## **HOTEL PROPERTY INVESTMENTS (ASX CODE: HPI)**

### **SECURITY PURCHASE PLAN (SPP) OFFER BOOKLET**

**You should read this Booklet in full.**

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in HPI or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact HPI's Registry, Link Market Services Limited on 1800 992 673 (callers within Australia) or +61 1800 992 673 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

#### **NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS**

These materials do not constitute an offer of securities for sale in the United States or to, or for the account or benefit of, "US Persons" (as defined in Regulation S under the US Securities Act of 1933 as amended (**US Securities Act**)) and may not be sent or disseminated in, directly or indirectly, the United States or to any "US Person" in any place. SPP Securities have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the benefit of, any "US Person" except in compliance with the registration requirements of the US Securities Act and any other applicable state securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws

# SECURITY PURCHASE PLAN OFFER BOOKLET

## *Letter from the Chairman*

20 October 2014

Dear Securityholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in Hotel Property Investments (**HPI**) security purchase plan (**SPP**) which was announced on 9 October 2014. The SPP allows eligible HPI securityholders the opportunity to each subscribe for up to \$15,000 worth of new, fully paid, ordinary securities in HPI (**SPP Securities**) (subject to discretionary scale back), without incurring brokerage or other transaction costs. The SPP proceeds will be capped at \$5 million.

As announced on 10 October 2014, HPI conducted a placement of fully paid, ordinary securities to institutional and professional investors raising \$25 million (**Institutional Placement**). Proceeds of the Institutional Placement will be applied to fund the acquisition of Beenleigh Tavern as well as rebalancing capital following the acquisition of Hotel HQ and to provide financial flexibility to pursue additional future opportunities.

The SPP provides you with the opportunity to increase your holding of ordinary, fully paid securities in HPI (**Securities**) at the lower of the issue price paid by institutional investors under the Institutional Placement, being \$2.27 per Security, and a 3.3% discount to the 5-day volume weighted average price per Security as at the close of the SPP offer period (being 3 November 2014).

You may apply for a parcel of SPP Securities valued at any amount between \$2,500 and \$15,000 (subject to discretionary scale back).

Participation in the SPP is optional and open to eligible securityholders, being holders of fully paid ordinary securities in HPI at 7.00pm (Sydney time) on 8 October 2014 (the **Record Date**) and whose address on the security register is in Australia or New Zealand. The SPP is also being extended to eligible securityholders who are custodians to participate in the SPP on behalf of certain eligible beneficiaries on the terms and conditions set out in this Booklet.

Your right to participate in the SPP is not transferable.

All SPP Securities will rank equally with existing Securities in HPI.

The terms and conditions of the SPP and your personalised Application Form are provided in this booklet (**Booklet**). I urge you to read these materials in their entirety and seek your own financial and taxation advice in relation to the SPP, before you decide whether to participate.

The SPP opens on 20 October 2014 and is expected to close at 5.00pm (Sydney time) on 3 November 2014.

To apply for SPP Securities, you must either:

- complete and return the personalised Application Form, together with payment via cheque; or
- make a payment directly via BPAY (you do not need to return an Application Form under this option).

If you have any questions in relation to how to participate in the SPP, please contact HPI's security registry, Link Market Services Limited on 1800 992 673 (callers within Australia) or +61 1800 992 673 (callers outside Australia) or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in HPI through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

On behalf of the Board, I invite you to consider participating in the SPP.

Yours sincerely

Mike Tilley

Chairman

***This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Securityholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.***

The offer of SPP Securities under the SPP is made in accordance with ASIC Class Order 09/425 which grants relief from the requirement to issue a disclosure document for the SPP.

Participation in the SPP is optional and open to securityholders who are holders on the Record Date of fully paid ordinary Securities and whose registered address is in Australia or New Zealand. *For New Zealand securityholders, you must still be a securityholder at the date of this offer, that is 20 October 2014.*

*This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.*

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas HPI Securityholders. HPI has determined that it is not practical for Securityholders who are not resident in Australia or New Zealand to participate in the SPP. The SPP does not constitute an offer of Securities for sale in any other jurisdiction. *You are not eligible to participate in the SPP if you are a "US Person" (as defined in Regulation S under the US Securities Act of 1933 as amended) (US Person) or acting for the account or benefit of a US Person.*

## **A KEY DATES**

<b><i>Record Date</i></b> (the date that eligibility to participate in the SPP is determined)	<i>7:00 p.m. (Sydney time) on 8 October 2014</i>
<b><i>Opening Date</i></b>	<i>20 October 2014</i>
<b><i>Closing Date</i></b>	<i>5.00 p.m. (Sydney time) on 3 November 2014</i>
<b><i>Issue of SPP Securities</i></b>	<i>10 November 2014</i>
<b><i>SPP Securities commence trading on ASX</i></b>	<i>12 November 2014</i>
<b><i>Despatch of SPP Security holding statements</i></b>	<i>12 November 2014</i>

## B KEY SPP INFORMATION

You should read this section in conjunction with the attached Terms and Conditions of the SPP.

<p><b>1. What is the security purchase plan / SPP?</b></p>	<p>The SPP is a way in which Eligible Securityholders of HPI may each subscribe for up to \$15,000 worth of SPP Securities without brokerage or other transaction costs.</p> <p>Eligible Securityholders may each apply for SPP Securities in parcels valued at a minimum of \$2,500 up to a maximum of \$15,000 (subject to discretionary scale back).</p>
<p><b>2. Do I have to participate in the SPP?</b></p>	<p>No. Participation in the SPP is entirely voluntary.</p> <p>Before you decide whether to participate in the SPP, HPI recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser.</p> <p>If you do not wish to participate in the SPP, do nothing.</p>
<p><b>3. What is the Issue Price of the SPP Securities?</b></p>	<p>SPP Securities will be offered at the lower of:</p> <ul style="list-style-type: none"><li>• the price paid by institutional investors under the Institutional Placement conducted on 9 October 2014, being \$2.27 per Security; and</li><li>• a 3.3% discount to the 5-day volume weighted average price per Security as at the close of the SPP offer period (being 3 November 2014),</li></ul> <p><b>(Issue Price).</b></p> <p>There is a risk that the market price of Securities may rise or fall between the date of this Booklet and the time of issue of SPP Securities under the SPP. This means that the price you pay for the SPP Securities issued to you may be less than or more than the market price of Securities at the date of this Booklet or the time of issue.</p> <p>Your application is unconditional and may not be withdrawn even if the market price of Securities is less than the Issue Price.</p>
<p><b>4. Who is eligible to participate in the SPP?</b></p>	<p>Securityholders who are registered holders of Securities at 7.00 p.m. (Sydney time) on 8 October 2014 with a registered address in either Australia or New Zealand provided that such Securityholder is not in the United States, or acting for the account or benefit of a person in the United States (<b>Eligible Securityholder</b>).</p> <p>The SPP is also being extended to Eligible Securityholders who are Custodians to participate in the SPP on behalf of Eligible Beneficiaries on the terms and conditions provided in this Booklet.</p>
<p><b>5. Can my offer under the SPP be transferred to a third party?</b></p>	<p>No. The offer is non-renounceable and cannot be transferred.</p>

<p><b>6. How much can I invest under the SPP?</b></p>	<p>Eligible Securityholders may apply for SPP Securities in parcels of Stapled Securities with a dollar value of either \$2,500, \$5,000, \$7,500, \$10,000, \$12,500, or \$15,000 (subject to discretionary scale back by HPI).</p> <p><i>If HPI, in its discretion, undertakes a scale-back of applications for SPP Securities, you may receive less than the parcel of SPP Securities for which you have applied.</i></p>	
<p><b>7. How do I apply for SPP Securities?</b></p>	<p>If you wish to participate in the SPP, you need to do one of the following.</p> <p><b>Option 1: Pay by Cheque</b></p> <p>Please complete the enclosed Application Form and return it with your cheque made payable to “Hotel Property Investments”, drawn on an Australian financial institution and crossed “Not Negotiable” in the enclosed reply paid envelope to:</p> <p style="text-align: center;">Link Market Services Limited (<b>Registry</b>) Reply Paid 3560 Sydney NSW 2001</p> <p>Your completed Application Form and cheque must be received by the Registry prior to the close of the SPP Offer at 5.00 p.m. (Sydney time) on 3 November 2014. Securityholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.</p> <p><b>Option 2: Pay via BPAY®</b></p> <p>To pay via BPAY you will need to:</p> <ul style="list-style-type: none"> <li>• be an account holder with an Australian financial institution;</li> <li>• use the personalised reference number shown on your Application Form which is required to identify your securityholding; and</li> <li>• ensure that your payment is received by the Registry before 5.00 p.m. (Sydney time) on 3 November 2014.</li> </ul> <p>You can only make payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.</p> <p>If you are paying via BPAY there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.</p>	
<p><b>8. What are the key dates for the SPP?</b></p>	<p><b>Record Date</b> (date that eligibility to participate in the SPP is determined)</p>	<p>7:00 p.m. (Sydney time) on 8 October 2014</p>
	<p><b>Opening Date</b></p>	<p>20 October 2014</p>

	<b>Closing Date</b>	5.00 p.m. (Sydney time) on 3 November 2014
	<b>Issue of SPP Securities</b>	10 November 2014
	<b>SPP Securities commence trading on ASX</b>	12 November 2014
	<b>SPP holding statements despatched</b>	12 November 2014
	HPI reserves the right to vary these times and dates in its absolute discretion.	
<b>9. What are the rights attached to SPP Securities issued under the SPP?</b>	SPP Securities will rank equally with other Securities as at the date of issue.	
<b>10. What do I do if I am a Custodian?</b>	<p>The SPP is being extended to Eligible Securityholders who are Custodians and who wish to apply for SPP Securities on behalf of certain Eligible Beneficiaries.</p> <p>The SPP is being offered to Custodians as the registered Securityholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.</p> <p>If you wish to apply as a Custodian under the SPP to receive SPP Securities for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate that contains further certifications and details (as required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.</p> <p>By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Securities, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$15,000 limit.</p> <p>Each Custodian must not participate in the SPP on behalf of, and must not distribute this Booklet or any documents relating to this SPP to any person in the United States.</p>	
<b>11. Will I receive notification of my issue?</b>	Yes. The Registry will send you a holding statement on or around 12 November 2014 which will include details of the number of SPP Securities issued to you, your total holding of Securities and the Issue Price of the SPP Securities.	

<p><b>12. Where can I get more information on the SPP?</b></p>	<p>If you have any questions in relation to how to participate in the SPP, please contact HPI's registry, Link Market Services Limited on 1800 992 673 (callers within Australia) or +61 1800 992 673 (callers outside Australia) or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in HPI through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.</p>
<p><b>13. What costs are associated with the SPP?</b></p>	<p>There are no brokerage, commissions or other transaction costs payable by Eligible Securityholders in relation to the application for and the issue of, SPP Securities.</p>

## C TERMS AND CONDITIONS OF THE SPP

**Important Notice:** If you participate in the SPP by completing and returning the Application Form or by making a payment by BPAY, you are accepting the risk that the market price of Securities may change between the Record Date, the date on which you send in the Application Form or make a payment by BPAY and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Securities on the ASX at a lower price than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Securityholders accepting the SPP Offer will also be bound by the constitution of HPI.

The Key SPP Information section of this Booklet forms part of these terms and conditions.

### 1. Offer

- 1.1 Hotel Property Investments (HPI) offers each Eligible Securityholder the opportunity to purchase up to \$15,000 worth of SPP Securities under the Security Purchase Plan (SPP) subject to and in accordance with the terms and conditions set out below.
- 1.2 In these terms and conditions, the “SPP Offer” means the offer in clause 1.1.
- 1.3 The SPP Offer opens on 20 October 2014 and closes at 5.00 p.m. (Sydney time) on 3 November 2014.
- 1.4 If you choose not to participate in the SPP, your right to participate lapses at the Closing Date, being 5.00 p.m. (Sydney time) on 3 November 2014 (or such other date as HPI determines).
- 1.5 The SPP Offer is non-renounceable and non-transferable and, therefore, Eligible Securityholders cannot transfer their right to purchase SPP Securities to a third party.
- 1.6 The SPP Offer to each Eligible Securityholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.7 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

### 2. Eligible Securityholders

- 2.1 You are eligible to participate in the SPP Offer if you:
  - (a) were registered on the Register as a Securityholder at 7.00 p.m. (Sydney time) on 8 October 2014 (**Record Date**);
  - (b) have a registered address in either Australia or New Zealand at that time; and
  - (c) are not in the United States, a US Person (as defined in Regulation S under the US Securities Act of 1933, as amended), and are not acting for the account or benefit of a person in the United States or a US Person.
- 2.2 The SPP Offer is not made to Securityholders with a registered address outside of Australia or New Zealand.

### 3. Joint holders/Custodians

- 3.1 If two or more persons are registered on the Register as jointly holding Securities, they are taken to be a single registered holder of Securities for the purposes of determining whether they are an Eligible Securityholder and a certification given by any of them is taken to be a certification given by all of them.

- 3.2 Subject to these terms and conditions, Eligible Securityholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Securities.
- 4. Applications for SPP Securities**
- 4.1 Eligible Securityholders may apply for SPP Securities in parcels of Stapled Securities with a dollar value of either \$2,500, \$5,000, \$7,500, \$10,000, \$12,500, or \$15,000 (subject to discretionary scale-back by HPI as described in section 9).
- 4.2 No brokerage or other transaction costs will apply to the acquisition of SPP Securities.
- 4.3 Eligible Securityholder who wish to apply for SPP Securities must either:
- (a) complete the enclosed Application Form and forward it with a cheque drawn on an Australian financial institution made payable to "Hotel Property Investments" and crossed "Not Negotiable" in the enclosed business reply envelope so that it is received prior to 5.00 p.m. (Sydney time) on 3 November 2014. Securityholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.; or
  - (b) make a payment via BPAY in accordance with the instructions on the Application Form so that it is received prior to 5.00 p.m. (Sydney time) on 3 November 2014.
- 4.4 Eligible Securityholders who receive more than one offer under the SPP (for example, because they hold Securities in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Securities but may not apply for SPP Securities with an aggregate value of more than \$15,000.
- 4.5 If you wish to subscribe for SPP Securities as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.6 HPI and its officers and agents, may accept or reject your application for SPP Securities at its discretion including, without limit, if:
- (a) your application does not comply with these terms and conditions;
  - (b) it appears you are not an Eligible Securityholder;
  - (c) your Application Form and cheque or BPAY payment is not received by the Registry by the Closing Date;
  - (d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by HPI to be invalid;
  - (e) your cheque is dishonoured or has been incorrectly completed;
  - (f) it appears that you are applying to purchase more than \$15,000 worth of SPP Securities in aggregate (including as a result of Securities you hold directly, jointly or through a custodian or nominee arrangement); or
  - (g) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, the cheque is not drawn on an Australian financial institution.
- 4.7 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable, by direct credit or cheque to your address shown on the Register.

## **5. Issue Price**

- 5.1 The Issue Price per SPP Security will be the lower of:
- (a) the price paid by institutional investors under the Institutional Placement conducted on 9 October 2014, being \$2.27 per Security; and
  - (b) a 3.3% discount to the 5-day volume weighted average price per Security as at the close of the SPP offer period (being 3 November 2014).
- 5.2 The current Security price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.
- 5.3 You agree to pay the Issue Price per SPP Security for the number of SPP or, if there is a scale-back, the number of SPP Securities calculated under clause 9.

## **6. Number of SPP Securities to be issued**

- 6.1 If you apply for SPP Securities, you will apply for a certain value, rather than a certain number, of SPP Securities. If your application is accepted, HPI will divide the value of your application monies by the Issue Price (as outlined under clause 5.1) in order to determine the number of SPP Securities which, subject to scale-back, will be issued to you.
- 6.2 If this calculation produces a fractional number, the number of SPP Securities issued will be rounded down to the nearest whole SPP Security (refer to paragraph 9 for more information on rounding).

## **7. Issue**

- 7.1 SPP Securities will be issued on the Issue Date.
- 7.2 SPP Securities will rank equally with existing Securities as at the Issue Date.
- 7.3 HPI will apply to ASX for the quotation of SPP Securities. It is anticipated that SPP Securities will be quoted on the ASX shortly after the Issue Date.
- 7.4 The Registry will send you a holding statement, confirming the issue of SPP Securities, on or around 12 November 2014.

## **8. Acknowledgements**

By returning an Application Form with a cheque or making a payment via BPAY, you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) warrant that you are an Eligible Securityholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of SPP Securities or subsequently refunded to you for any reason;

- (f) acknowledge that HPI and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (g) acknowledge and agree that:
  - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
  - (ii) the SPP Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP Securities may not be offered, sold or otherwise transferred without registration under the Securities Act or unless the SPP Securities are offered, sold or otherwise transferred in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, and any other applicable securities laws;
  - (iii) you have not, and will not, send this Booklet or any materials relating to the SPP to any person in the United States
  - (iv) if in the future you decide to sell or otherwise transfer the SPP Securities, you will only do so in regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
  - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP to any person outside Australia and New Zealand;
- (h) if you are applying on your own behalf (and not as a Custodian) acknowledge and agree that:
  - (i) you are not applying for SPP Securities with an application price of more than \$15,000 under the SPP (including by instructing a Custodian to acquire SPP Securities on your behalf under the SPP);
  - (ii) the total of the application price for the following does not exceed \$15,000:
    - (A) the SPP Securities the subject of the application;
    - (B) any other Securities issued to you under the SPP or any similar arrangement in the 12 months before the application;
    - (C) any other SPP Securities which you have instructed a Custodian to acquire on your behalf under the SPP; and
    - (D) any other Securities issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Securities on your behalf under an arrangement similar to the SPP;
- (i) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Securities, acknowledge and agree that:
  - (i) you are a Custodian (as that term is defined in ASIC Class Order 09/425);
  - (ii) you held Securities on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Securities on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Booklet;

- (iii) you are not applying for SPP Securities on behalf of any Eligible Beneficiary with an application price of more than \$15,000 under the SPP;
- (iv) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (j) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (k) are responsible for any dishonour fees or other costs HPI may incur in presenting a cheque for payment which is dishonoured;
- (l) agree to be bound by the constitution of HPI (as amended and as it may be amended from time to time in the future);
- (m) acknowledge that none of HPI, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (n) you authorise HPI, and its officers and agents, to do anything on your behalf necessary for SPP Securities to be issued to you in accordance with these terms and conditions;
- (o) you acknowledge that HPI may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (p) you authorise HPI, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

## **9. Scale-Back**

- 9.1 HPI may in its discretion undertake a scale-back of applications for SPP Securities to the extent and in the manner it sees fit.
- 9.2 If there is a scale-back you may receive less than the parcel of SPP Securities for which you have applied.
- 9.3 If a scale-back produces a fractional number of SPP Securities when applied to your parcel, the number of SPP Securities you will be allotted will be rounded down to the nearest whole number of SPP Securities. Unless HPI exercises its right to scale-back applications or refunds amounts by reason of not receiving one of the amounts designated on the Application Form (in which cases it will return any excess application money to you by cheque), HPI will retain any excess application money and pay such amount as a donation to a charity nominated by HPI.
- 9.4 For example, if you apply for A\$15,000 of SPP Securities and the offer price is A\$2.27 per SPP Security, you will be allotted 6,607 SPP Securities and HPI will donate A\$2.11 to a charity nominated by HPI.

## **10. Dispute resolution**

- 10.1 HPI may settle, in any manner it deems, 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 for SPP Securities, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 10.2 The powers of HPI under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

## **11. Variation and termination**

11.1 HPI reserves the right at any time to:

- (a) amend or vary these terms and conditions;
- (b) waive strict compliance with any provision of these terms and conditions;
- (c) withdraw the SPP Offer or suspend or terminate the SPP;
- (d) vary the timetable for the SPP, including the Closing Date; and
- (e) not accept an application, not issue SPP Securities or issue SPP Securities to a value less than that applied for under the SPP by an Eligible Securityholder (including a Custodian applying on behalf of its Eligible Beneficiaries).

11.2 In the event that the SPP is withdrawn or terminated all application monies will be refunded. No interest will be paid on any money returned to you.

## **12. Privacy policy**

12.1 Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. The Privacy Amendment (Private Sector) Act 2000 does not alter these statutory obligations.

12.2 HPI and the Registry may collect personal information to process your application, implement the SPP and administer your Securityholding. The personal information contained in the 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 Australian taxation laws and the Corporations Act.

12.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of HPI and its agents and contractors, and to 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 your personal information may be disclosed may be located overseas.

12.4 Link Market Services' privacy policy is available on their website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## **13. Underwriting**

The SPP is not underwritten.

## **14. Governing law**

These terms and conditions are governed by the laws in force in Victoria. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Victoria. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria. Other terms and conditions, rights and obligations of SPP Securities are contained in the constitution of HPI. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

## **D GLOSSARY**

The following definitions apply throughout this Booklet unless the context requires otherwise.

<b>Application Form</b>	your personalised application form enclosed with this Booklet.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
<b>Beneficiary</b>	either or both of the following: <ul style="list-style-type: none"><li>• one or more persons on whose behalf a Custodian holds Securities; and/or</li><li>• another custodian (a <b>downstream custodian</b>) on whose behalf a Custodian holds securities where the downstream custodian holds the beneficial interests in the Securities on behalf of one or more persons.</li></ul>
<b>Closing Date</b>	5:00pm (Sydney time) on 3 November 2014 (or such other date as HPI determines).
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Custodian</b>	a custodian as defined in paragraph 14 of ASIC Class Order 09/425.
<b>Custodian Certificate</b>	a certificate complying with paragraph 9 of ASIC Class Order 09/425.
<b>Director</b>	a director of HPI.
<b>Eligible Beneficiary</b>	a Beneficiary of a Custodian with a registered address in either Australia or New Zealand as at the Record Date, provided that such Beneficiary is not in the United States.
<b>Eligible Securityholder</b>	a Securityholder who is a registered holder of Securities at 7.00 p.m. (Sydney time) on Wednesday, 8 October 2014 with a registered address in either Australia or New Zealand, provided that such Securityholder is not in the United States or acting for the account or benefit of a person in the United States.
<b>Issue Date</b>	10 November 2014 (or such other date as HPI determines).
<b>Issue Price</b>	the price per SPP Security
<b>HPI</b>	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 The Trust Company (RE Services) Limited (ACN 003 278 831).
<b>Offer Period</b>	the period commencing on the Opening Date and ending on the Closing Date.
<b>Opening Date</b>	20 October 2014.
<b>Institutional Placement</b>	the placement of new Securities to institutional and professional investors, raising \$25 million, announced on 9 October 2014.
<b>Record Date</b>	7.00pm (Sydney time) on 8 October 2014.

<b>Register</b>	the register of Securityholders.
<b>Registry</b>	Link Market Services Limited ACN 083 214 537.
<b>Security</b>	a fully paid ordinary stapled security in HPI (comprising a share in Hotel Property Investments Limited and a unit in Hotel Property Investments Trust).
<b>Securityholder</b>	a registered holder of Securities.
<b>SPP</b>	the security purchase plan offer made to Eligible Securityholders under this Booklet.
<b>SPP Offer</b>	the offer in clause 1.1 of the terms and conditions of the SPP.