

Compass Hotel Group Limited
ACN 127 909 835
(“Company”)

SECURITIES TRADING POLICY

The Company's share trading policy regulates dealings by directors, officers and employees in securities issued by the Company. In certain circumstances this policy also applies to contractors and consultants.

This policy imposes basic trading restrictions on all employees of the Company and its related companies who possess inside information and additional trading restrictions on:

- all directors;
- all executives reporting directly to the Chief Operating Officer; and
- any other employees of the Company considered appropriate by the Chief Operating Officer and Company Secretary from time to time,

(together Restricted Persons).

GENERAL RESTRICTIONS WHEN IN POSSESSION OF INSIDE INFORMATION

Insider trading laws

Insider trading laws cover all directors and employees of the Company. If a person is in possession of any unpublished price-sensitive information, it is a criminal offence to take advantage for personal gain or that of an associate. Breach of insider trading laws may also result in civil liability.

Price-sensitive information is any information which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or would be likely to influence a person in deciding whether to buy or sell the Company's securities.

Information does not have to be obtained from the Company to constitute inside information.

A person takes advantage of unpublished price sensitive information if they utilise it to:

- buy or sell securities in the Company;
- procure someone else to buy or sell securities in the Company; or
- passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies

Confidential information

Employees and directors also have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.

Exceptions to insider trading

ASX has outlined the following instances that will not be considered insider trading:

- transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- undertake to accept, or accept, a takeover offer;
- trade under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or

- trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy

ADDITIONAL TRADING RESTRICTIONS FOR RESTRICTED PERSONS

Restricted Persons generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional restrictions apply for any proposed trading in shares by Restricted Persons during nominated "closed periods". The closed periods generally apply to the period immediately preceding periodic and continuous disclosure.

Restricted Persons are prohibited from trading in the Company's securities during the following designated closed periods:

- from 15 June each year until 24 hours after the release of the Company's Preliminary financial report for the year ended 30 June each year; and
- from 15 December each year until 24 hours after the release of the consolidated interim financial report of the Company for the half year ended 31 December each year.

In exceptional circumstances clearance may be given for a Restricted Person to sell (but not to purchase) securities when they would otherwise be prohibited from doing so but not while there exists any matter which constitutes unpublished price-sensitive information in relation to the Company's securities

Requirements before trading

Before trading, or giving instructions for trading in the Company's securities:

- a director must notify the Chairman and all other directors of his intention to trade;
- the Chairman must notify the Board of his intention to trade;
- other Restricted Persons must notify the Chairman or the Company Secretary of their intention to trade;
- confirm that he/she does not hold any inside information; and
- comply with any conditions on trading imposed by the Chairman or the Board.

Notification of trading

Restricted Persons must notify the Company Secretary of any dealings in the Company's securities immediately any such dealings occur and all reporting requirement under the ASX listing rules for changes to shareholding of any Director and substantial shareholder, and any Corporations Law reporting requirements

Exemption from closed period restrictions due to financial hardship or exceptional circumstances

Restricted Persons who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Chief Operating Officer (or in the case of a Director the Chairman, or in the case of the Chairman all of the other members of the Board) to sell or otherwise dispose of Company securities in a closed period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this Policy.

The determination of whether Restricted Persons are in severe financial hardship will be made by the Chief Operating Officer, the Chairman in the case of a Director, and all of the Board in the case of the Chairman.

Restricted Persons may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

An application for the sale of Company securities due to financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Exceptional circumstances may apply to the disposal of Company securities by a Restricted Person if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities in a closed period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Breaches of policy

Strict compliance with this policy is a condition of employment.

General

The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.

This policy will be reviewed annually