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25 September 2024

## By electronic lodgement

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File No. 021927135

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To Whom It May Concern

## Second Replacement Bidder's Statement and Offer Open

We act for Charter Hall Wholesale Management Limited (ACN 006 765 206) in its capacity as trustee for the CH Investment Trust and the CH Investment Co Trust (the **Bidder**).

The Bidder has today lodged a second replacement bidder's statement (**Second Replacement Bidder's Statement**) in relation to its off-market takeover offer to acquire all of the stapled securities in Hotel Property Investments (ASX:HPI) (**Takeover Bid**), comprising Hotel Property Investments Limited (ACN 010 330 515) and Hotel Property Investments Trust (ARSN 166 484 377) (together, **HPI**) which the Bidder does not already own or control under Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Pursuant to sections 633(1C) and 633A(2)(c) of the Corporations Act (as notionally inserted by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688) (the **Instrument**), we enclose a clean version of the Second Replacement Bidder's Statement.

HPI has notified the Bidder that it has agreed to the Bidder commencing dispatch of the Second Replacement Bidder's Statement to HPI securityholders today. Dispatch of the Second Replacement Bidder's Statement to HPI securityholders in accordance with the Corporations Act will commence today.

The offer opens today, 25 September 2024 and will close on 4 November 2024, unless extended as permitted by the Corporations Act.

Yours sincerely  
**Arnold Bloch Leibler**

**Scott Phillips**  
Partner  
Enc

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# BIDDER'S STATEMENT

## ACCEPT THE CASH OFFER NOW

by Charter Hall Wholesale Management Limited in its capacity as trustee of the CH Investment Trusts to acquire all of your stapled securities in

**Hotel Property Investments (ASX: HPI)**

for \$3.65 cash per HPI stapled security

**This is an important document and requires your immediate attention.**

You should read this document in its entirety. If you are in any doubt about how to deal with this document, you should contact your broker, legal adviser, financial adviser, or other professional adviser as soon as possible.

Please call 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia), if you have any questions or require assistance with your acceptance. Further information relating to the Offer can be obtained from the Offer website at <https://events.miraqle.com/ch-offer/>

**Financial advisers**

**Barrenjoey\*** 

**Legal adviser**

**Arnold Bloch Leibler**  
Lawyers and Advisers

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# Key Dates

Announcement Date	9 September 2024
Date of original and first replacement Bidder's Statement lodged with ASIC	9 September 2024
Date of second replacement Bidder's Statement lodged with ASIC	25 September 2024
Date of Offer	25 September 2024
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 4 November 2024

Note: The closing date for the Offer may change as permitted by the Corporations Act.

## Key Contacts

### Share Registrar for the Offer

Link Market Services Limited  
ABN 54 083 214 537  
Level 12, 680 George Street  
Sydney NSW 2000

### Offer Information Line

1800 178 658 (within Australia)  
+61 1800 178 658 (outside Australia)  
between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays)

\*Calls to these numbers may be recorded

### Offer Website

<https://events.miraql.com/ch-offer/>

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# Important Notices

## Nature of this document

This document is the second replacement Bidder's Statement dated 25 September 2024. It includes the Bidder's Offer dated 25 September 2024 to Acquire all HPI Securities. This second replacement Bidder's Statement replaces the original Bidder's Statement and the first replacement Bidder's Statement each lodged on 9 September 2024. All references to "this Bidder's Statement" in this document are to this second replacement Bidder's Statement.

This Bidder's Statement is issued by Charter Hall Wholesale Management Limited (ACN 006 765 206) in its capacity as trustee for the CH Investment Trusts (the "**Bidder**"), to Hotel Property Investments Limited in its personal capacity and in its capacity as responsible entity of Hotel Property Investments Trust (together, "**HPI**") under Part 6.5 of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), as modified by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688 and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to Acquire Your HPI Securities.

The Offer made under this Bidder's Statement is on the same terms as the offer set out in the Original Bidder's Statement, except to the extent approved by ASIC in the relief described in Section 10.10.

CH Investment Trust and CH Investment Co Trust are the **CH Investment Trusts**. The Bidder will acquire HPI Units pursuant to the Offer and hold those HPI Units in its capacity as trustee of the CH Investment Trust and will acquire HPI Shares pursuant to the Offer and hold those HPI Shares in its capacity as trustee of the CH Investment Co Trust. The units in the CH Investment Trust are owned in equal proportions indirectly by Charter Hall Retail REIT (ASX:CQR) (also referred to as CQR in this Bidder's Statement) and indirectly by Hostplus. All of the units in the CH Investment Co Trust are owned by Charter Hall Holdings, a subsidiary of Charter Hall Limited which is one of the stapled entities that comprise the Charter Hall Group.

You should read this Bidder's Statement in its entirety.

## Australian Securities and Investments Commission and Australian Securities Exchange

A copy of the original Bidder's Statement and the first replacement Bidder's Statement was lodged with the Australian Securities and Investment Commission ("**ASIC**") and the Australian Securities Exchange ("**ASX**") on 9 September 2024. A copy of this second replacement Bidder's Statement was lodged with ASIC and ASX on 25 September 2024. Neither ASIC, the ASX, nor any of their respective officers, take any responsibility for the content of this Bidder's Statement.

## General information only

The information in this Bidder's Statement is general information only and does not take into account your individual investment objectives, financial situation or needs. You should consider whether the information in this Bidder's Statement is appropriate for you in light of your objectives, financial situation and needs. Accordingly, before deciding whether to accept the Offer, you may wish to consult with your financial or other professional advisor.

## Forward-looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which HPI operates, as well as general economic conditions, prevailing exchange rates, interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of the Bidder, its related bodies corporate or any of their respective officers or employees (as applicable), nor any person named in this Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

## Privacy

The Bidder has collected your information from the HPI Register for the purpose of making this Offer and, if accepted, administering a record of your acceptance of the Offer for your holding of HPI Securities. The Corporations Act requires the name and address of securityholders to be held in a public register. Your information may be disclosed on a confidential basis to the related bodies corporate of the Bidder and external service providers (for example, Link (the share registry for the Offer) and providers of print and mail service) and may be required to be disclosed to regulators such as ASIC.

If you would like details of information held about you by the Bidder or Link, please contact them at the addresses set out in the Corporate Directory.

## Foreign Jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws of jurisdictions outside of Australia, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

## Estimates and assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by the Bidder. The Bidder's estimates reflect, and are based on, views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

## Information on HPI

The information on HPI and the HPI Securities contained in this Bidder's Statement has been prepared by the Bidder using publicly available information (including information in documents filed by HPI or published by HPI on its website). None of the information in this Bidder's Statement concerning HPI's business has been verified by HPI or the HPI Board or independently verified by the Bidder for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, neither the Bidder, Charter Hall Retail REIT or Hostplus, nor their directors, officers or employees, nor any member of the Bidder Group, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on HPI in this Bidder's Statement should not be considered comprehensive.

Further information relating to HPI's business may be included in HPI's Target Statement which HPI must provide to HPI Securityholders in response to this Bidder's Statement.

## Statements in Bidder's Statement

CQR acknowledges that the Bidder's Statement includes a statement to the effect that CQR takes responsibility for CQR Information and that neither the Bidder, HP HPI, Hostplus or any Related Body Corporate of Hostplus is responsible for CQR Information contained in the Bidder's Statement and in any other public document relating to the Offer issued by the Bidder.

Hostplus acknowledges that the Bidder's Statement includes a statement to the effect that Hostplus takes responsibility for the Hostplus Information and that neither the Bidder, CQR, or any Related Body Corporate of CQR is responsible for the Hostplus Information contained in the Bidder's Statement and in any other public document relating to the Offer issued by the Bidder.

## Websites

HPI, Charter Hall Retail REIT and Hostplus maintain internet sites.

The HPI internet site is <https://www.hpitrust.com.au/>.

Charter Hall Retail REIT, also maintains a website at <https://www.charterhall.com.au/investor-centre/charter-hall-retail-reit>.

Hostplus, also maintains a website at <https://hostplus.com.au/>.

Information contained in, or otherwise accessible through, these internet sites are not a part of this Bidder's Statement. All references in this Bidder's Statement to these internet sites are for information purposes only.

## Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise, or words are defined in section 12, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

## Miscellaneous

All amounts are in Australian currency unless otherwise specified. All references to time are to the local time in Sydney, New South Wales unless otherwise specified. A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, actual figures may differ.

Dear HPI Securityholder,

## Offer to Acquire all of Your HPI Securities

On behalf of Charter Hall Wholesale Management Limited in its capacity as trustee for the CH Investment Trusts (the “Bidder”), I am pleased to present this offer to acquire all of Your HPI Securities (the “Offer”).

The Bidder believes that the Offer provides compelling value to HPI Securityholders as well as the opportunity to realise liquidity and certainty of value for Your HPI Securities at an attractive premium to historical trading prices.

## Summary of the Offer

The Offer is an all cash offer of \$3.65 per HPI Security for all of your stapled securities in HPI, which enables you to receive an attractive premium for your HPI Securities relative to historical trading levels. In addition, the Offer provides an opportunity for HPI Securityholders to exchange HPI Securities for cash, which can be re-invested at a higher distribution yield than HPI.

The Offer is conditional on a number of matters set out in this Bidder’s Statement, including the Bidder holding or having received acceptances for at least 50.1% of the HPI Securities and limited other conditions.<sup>1</sup>

## The Offer Price Represents an Attractive Premium to HPI Securityholders

The cash Offer Price of \$3.65 per HPI Security represents an attractive premium to HPI’s historical trading levels, equating to:

- > 11.6% premium to the closing price of HPI Securities of \$3.27 on 27 March 2024, being the trading day prior to announcement of CHC and CQR’s 14.8% stake acquisition in HPI (“**Undisturbed Date**”);
- > 4.9% premium to the closing price of HPI Securities of \$3.48 on 6 September 2024, being the last trading day prior to the Announcement Date;
- > 7.3% premium to HPI’s 1-month volume weighted average price (“**VWAP**”)<sup>2</sup> to the Announcement Date of \$3.40;
- > 8.7% premium to HPI’s 3-month VWAP to the Announcement Date of \$3.36;
- > 10.2% premium to HPI’s 6-month VWAP to the Announcement Date of \$3.31; and
- > 18.2% premium to HPI’s 12-month VWAP to the Announcement Date of \$3.09.

## Other Reasons to Accept the Offer

The Offer provides HPI Securityholders with a number of significant benefits and there are a number of other compelling reasons to accept the Offer:

- > All cash Offer allows you the opportunity to realise value for Your HPI Securities with the certainty of cash consideration;
- > No competing control proposal has emerged for your HPI Securities. The Bidder considers the likelihood of a competing control proposal emerging is low given the Bidder’s holding of HPI Securities;<sup>3</sup>

<sup>1</sup> See Annexure A for the full list of Conditions.

<sup>2</sup> VWAP excludes trades not made on-market. e.g. excludes CHC and CQR’s acquisition of HPI Securities on 27 March 2024 directly from 360 Capital Group (ASX: TGP)

<sup>3</sup> HPI Securityholders could seek to sell their HPI Securities on-market through trading on ASX as an alternative to accepting the Offer.

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- > The Offer removes your exposure to the risks and uncertainties associated with a continued investment in HPI Securities;
- > You will not incur any brokerage costs with your acceptance of the Offer (other than as set out in section 11.13);<sup>4</sup> and
- > The Offer is subject to a limited number of conditions set out in this Bidder's Statement, including a Minimum Acceptance Condition which requires that the Bidder holds or has received acceptances for at least 50.1% of the HPI Securities before the end of the Offer Period and the other conditions set out in Annexure A.

### There are risks of not accepting the Offer, including that:

- > HPI's Security price may fall if the Offer lapses;
- > There may be a reduction in liquidity in HPI Securities if the Bidder further increases its interest in HPI thereby reducing the free float of HPI Securities;
- > If you do not accept the Offer and the Bidder further increases its interest in HPI, you risk becoming a minority HPI Securityholder in an entity controlled by the Bidder; and
- > If the Bidder obtains control of HPI, future distributions may be reduced and HPI may be delisted from ASX.<sup>5</sup>

### Next Steps

I encourage you to read this Bidder's Statement for more details of the Offer, including its terms and the benefits you will receive from accepting the Offer, and then to **ACCEPT** the Offer as soon as possible.

To accept the Offer once the Offer is open, please follow the instructions set out in Section 11.4 of this Bidder's Statement and on the accompanying Acceptance Form.

If you have any questions about the Offer or you require any assistance, please visit the Offer Website at <https://events.miracle.com/ch-offer/> or contact the Offer Information Line on 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays).

We appreciate your consideration of our Offer and look forward to receiving your acceptance prior to the end of the Offer Period.

Yours faithfully,



**David Harrison**

Managing Director & Group CEO

Charter Hall Group

<sup>4</sup> You may incur brokerage fees if you instruct your broker to accept the Offer on your behalf.

<sup>5</sup> Delisting of HPI can usually only be achieved in compliance with certain safeguards imposed by ASX, including those set out in section 6.4(d) of this Bidder's Statement. ASX guidance indicates that applications for removal from the Official List without the need for securityholder approval will only be approved by ASX where, amongst other requirements, the Bidder owns or controls at least 75% of the HPI Securities and the Offer Period has remained open for at least 2 weeks after this level of control was obtained; fewer than 150 HPI Securityholders (other than the Bidder) have holdings with a value of at least \$500; and the delisting does not take effect until at least 3 months after HPI notifies all remaining HPI Securityholders of the delisting date.



# 1 Why you should **ACCEPT** the Offer

The Offer provides significant benefits to you as an HPI Securityholder. The key reasons why you should accept the Offer are as follows:

Number	Reason why you should <b>ACCEPT</b> the Offer
1	The Offer delivers an attractive premium to HPI's historical trading levels
2	All cash Offer allows you the opportunity to realise value for Your HPI Securities with the certainty of cash consideration
3	No competing control proposal has emerged for your HPI Securities and the Bidder considers the likelihood of a competing control proposal emerging is low <sup>6</sup>
4	The Offer removes your exposure to the risks and uncertainties associated with a continued investment in HPI Securities
5	HPI's Security price may fall if the Offer lapses
6	There may be a reduction in liquidity in HPI Securities if the Bidder further increases its interest in HPI thereby reducing the free float of HPI Securities
7	If you do not accept the Offer and the Bidder further increases its interest in HPI, you risk becoming a minority HPI Securityholder in an entity controlled by the Bidder (and in that scenario future distributions may be reduced and HPI may be delisted from ASX) <sup>7</sup>
8	You will not incur any brokerage costs with your acceptance of the Offer (other than as set out in section 11.13) <sup>8</sup>
9	The Offer is subject to a limited number of conditions, including a Minimum Acceptance Condition which requires that the Bidder holds or has received acceptances for at least 50.1% of the HPI Securities before the end of the Offer Period and other conditions set out in Annexure A

Further details on each of these reasons for why you should accept the Offer are set out below in section 1 of this Bidder's Statement.

<sup>6</sup> HPI Securityholders could seek to sell their HPI Securities on-market through trading on ASX as an alternative to accepting the Offer.

<sup>7</sup> Delisting of HPI can usually only be achieved in compliance with certain safeguards imposed by ASX, including those set out in section 6.4(d) of this Bidder's Statement. ASX guidance indicates that applications for removal from the Official List without the need for securityholder approval will only be approved by ASX where, amongst other requirements, the Bidder owns or controls at least 75% of the HPI Securities and the Offer Period has remained open for at least 2 weeks after this level of control was obtained; fewer than 150 HPI Securityholders (other than the Bidder) have holdings with a value of at least \$500; and the delisting does not take effect until at least 3 months after HPI notifies all remaining HPI Securityholders of the delisting date.

<sup>8</sup> You may incur brokerage fees if you instruct your broker to accept the Offer on your behalf. See section 11.13 for more information regarding payment of brokerage fees.

## 1.1 The Offer delivers an attractive premium to HPI’s historical trading levels

The Offer represents an attractive premium to HPI’s trading levels as at the Undisturbed Date, and is materially above where HPI has recently traded at, as demonstrated in the chart below.

### HPI trading performance relative to Offer Price



Source: IRESS as at 6 September 2024

The Offer Price represents a:

- > 11.6% premium to the closing price of HPI Securities of \$3.27 on the Undisturbed Date;
- > 4.9% premium to the closing price of HPI Securities of \$3.48 on the last trading day prior to the Announcement Date;
- > 7.3% premium to HPI’s 1-month VWAP to the Announcement Date of \$3.40;
- > 8.7% premium to HPI’s 3-month VWAP to the Announcement Date of \$3.36;
- > 10.2% premium to HPI’s 6-month VWAP to the Announcement Date of \$3.31; and
- > 18.2% premium to HPI’s 12-month VWAP to the Announcement Date of \$3.09.

### Offer Price premium against HPI trading prices



Source: IRESS as at 6 September 2024

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## 1.2 All cash Offer allows you the opportunity to realise value for Your HPI Securities with the certainty of cash consideration

The Bidder is offering you 100% cash consideration for Your HPI Securities providing you with an opportunity to obtain liquidity for Your HPI Securities and to realise certain value for Your HPI Securities. If you accept the Offer and the Offer becomes unconditional, you will:

- > Be paid \$3.65 cash for each of Your HPI Securities;
- > Receive that value without undertaking any additional transactions or incurring any brokerage costs (other than as set out in section 2);<sup>9</sup> and
- > Have your cash payment paid to you within the earlier of:
  - > 1 month after the date that you accept, or if the Offer is subject to a Condition when you accept the Offer, within 1 month after the Offer becomes unconditional; and
  - > 21 days of the end of the Offer Period),

in each case, provided you have submitted all necessary transfer documents with your acceptance.

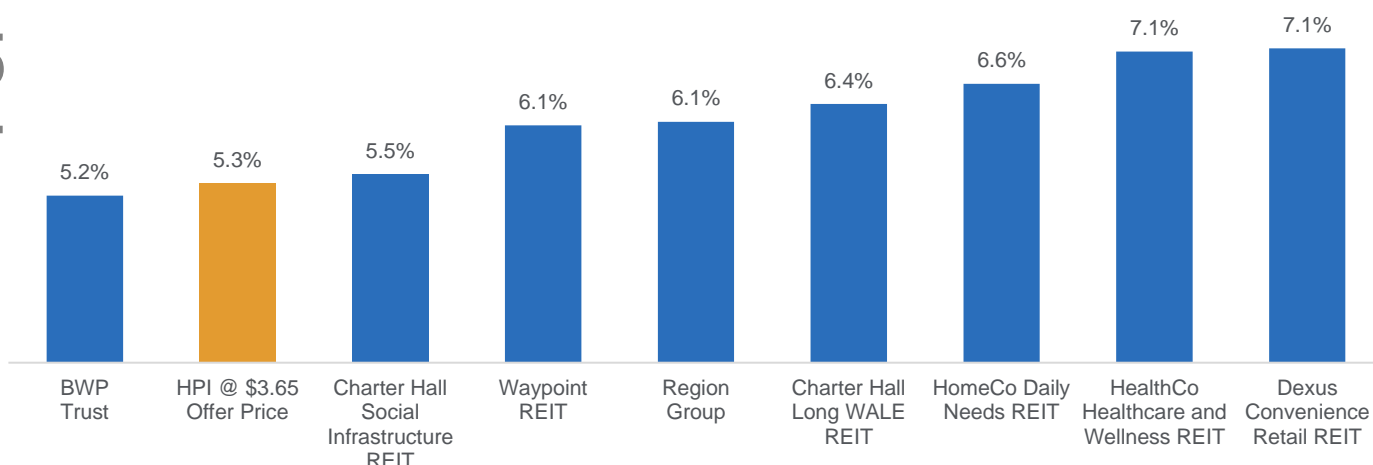
The Offer Consideration will be payable to you by:

- > cheque drawn in Australian currency and sent to you, at your risk, by ordinary mail (or, in the case of HPI Securityholders with addresses outside of Australia, as contemplated in the response to the FAQ “What if I am a foreign HPI Securityholder?” in section 2). Payment of cheques will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box. If your HPI Securities are held in a joint name, any cheque issued will be in the name of the joint holders and forwarded to the address that appears in the register of HPI; or
- > electronic funds transfer (if HPI holds the necessary details in relation to you and you have indicated to HPI that is your preferred method of receiving payments from HPI and HPI provides this information to the Bidder for the purposes of the payment of the Offer Consideration).

Full details of the payment of the Offer Price are set out in section 11.

The Offer implies a materially lower distribution yield for HPI than other ASX listed REITs, providing HPI Securityholders with the opportunity to re-invest cash consideration and receive a higher distribution yield.

### HPI Implied Dividend Distribution Yield (FY25E) at Offer Price vs. other ASX listed REITs<sup>10</sup>



Source: ASX Company filings, Bloomberg, IRESS as at 6 September 2024

<sup>9</sup> You may incur brokerage fees if you instruct your broker to accept the Offer on your behalf.

<sup>10</sup> Implied FY25E distribution yields based on company reported distribution per security guidance for FY25. Where FY25 guidance not available, Bloomberg consensus distribution per security used. The selected REITs include those that own convenience retail, retail and net lease assets.

### 1.3 No competing control proposal has emerged for Your HPI Securities and the Bidder considers the likelihood of a competing control proposal emerging is low

As far as the Bidder is aware, the Offer is the only control proposal that has been publicly announced as at the date of this Bidder's Statement that provides you with an opportunity to sell your HPI Securities.<sup>11</sup>

As at the date of this Bidder's Statement, the Bidder is not aware of any other party intending to make a competing control proposal that includes an offer for HPI Securities and there is no certainty that any such offer will be made.

The Bidder considers that the likelihood of HPI Securityholders receiving a competing control proposal is low. The Bidder currently holds approximately 14.7% of the HPI Securities on issue. Details of the Bidder's interests in HPI Securities are set out in section 10.7. Such a holding would commonly be considered a blocking stake as it makes it unlikely that any potential interloper could obtain 100% ownership of HPI without the Bidder's support.<sup>12</sup>

### 1.4 The Offer removes your exposure to the risks and uncertainties associated with a continued investment in HPI Securities

The Bidder believes that the cash consideration payable under the Offer represents attractive value for Your HPI Securities. As an HPI Securityholder, you are subject to a number of external and HPI specific risks and uncertainties that could affect the trading price of HPI Securities. If you accept the Offer and the Offer becomes unconditional, you will no longer be exposed to those risks and uncertainties, which include:

- > Conditions in the property investment market including tenant performance, the property valuation cycle, the availability of funding, and interest rates which can impact the value of HPI's underlying properties;
- > Interest rates risks which can impact the cost of debt of some of HPI's debt facilities and may impact the trading price of HPI Securities on the ASX (positively or negatively);
- > Risks such as: tenant financial position and resultant vacancy levels of properties, property liquidity risk, and government and regulatory risk with pubs (e.g. liquor licencing, electronic gambling machines, etc.);
- > The potential for reductions in the distribution payout ratio of HPI as a result of any de-leveraging required to comply with HPI's financing arrangements; and
- > Equity market volatility which can impact the value of HPI Securities on the ASX.

### 1.5 HPI's Security price may fall if the Offer lapses

HPI's security price closed at \$3.48 per HPI Security on the last trading date prior to announcement of the Offer, being 6 September 2024. Given the premium the Bidder is offering, HPI Securities may trade below current levels if the Offer lapses.

### 1.6 There may be a reduction in liquidity in HPI Securities if the Bidder further increases its interest in HPI thereby reducing the free float of HPI Securities

The Bidder currently holds approximately 14.7% of the HPI Securities on issue. If the Bidder increases its interest in HPI, but is not entitled to or otherwise does not proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act, and HPI continues to be listed on the ASX following the Offer and you continue to hold HPI Securities, there is likely to be reduced liquidity in HPI Securities due to the decrease in the number of HPI Securities available for trading. This may make it difficult for you to sell Your HPI Securities outside the Offer and may have a material adverse effect on their liquidity and market value (i.e. this could cause the trading price of HPI Securities to fall).

### 1.7 If you do not accept the Offer and the Bidder further increases its interest in HPI, you risk becoming a minority HPI Securityholder in an entity controlled by the Bidder (and in that scenario future distributions may be reduced and HPI may be delisted from the ASX)

<sup>11</sup> HPI Securityholders could seek to sell their HPI Securities on-market through trading on ASX as an alternative to accepting the Offer.

<sup>12</sup> The requisite majorities for an acquisition of HPI via a scheme of arrangement could be satisfied without the Bidder voting in favour of such a scheme (albeit a scheme would require a very high level of support to be successful if the Bidder was not supportive). A rival bidder could make a bid with a 50.1% minimum acceptance condition or make a bid with no such condition however a rival bidder could not reach compulsory acquisition without the Bidder's support.

If the Bidder gains control of HPI, but is not entitled to or otherwise does not compulsorily acquire the remaining HPI Securities, those HPI Securityholders who have not accepted the Offer will become minority HPI Securityholders, with less influence over the future direction of HPI.

If the Bidder has a Relevant Interest in at least 50.1% of the HPI Securities, the Bidder will seek to replace the HPI Board with its own nominees. The Bidder may gain Control over the HPI Board and, in this case (through its representatives on the HPI Board), will control the decisions and the future direction of HPI to the extent permissible by law and the ASX Listing Rules. Actions and decisions that may be taken by HPI subsequent to the Bidder obtaining control of HPI includes, but is not limited to, reducing distributions, increasing leverage, raising additional capital (which may further dilute minorities) and/or asset acquisitions and disposals.<sup>13</sup> These are possible outcomes of the strategic review described in section 6 of this Bidder's Statement. The Bidder has no specific intentions to pursue any such outcomes of the review but reserves the right to do so. The Bidder's intentions in relation to HPI are set out in section 6.

In addition, if the Bidder has a Relevant Interest in at least 50.1% of the HPI Securities, it may decide to cause HPI to apply for removal from the Official List of the ASX. If HPI is removed from the Official List of the ASX, HPI Securities will not be able to be bought or sold on the ASX. Delisting of HPI can usually only be achieved in compliance with certain safeguards imposed by ASX, including those set out in section 6.4(d) of this Bidder's Statement. ASX guidance indicates that applications for removal from the Official List without the need for securityholder approval will only be approved by ASX where, amongst other requirements:

- > the Bidder owns or controls at least 75% of the HPI Securities and the Offer Period has remained open for at least 2 weeks after this control was obtained;
- > fewer than 150 HPI Securityholders (other than the Bidder) have holdings with a value of at least \$500; and
- > the delisting from the Official List does not take effect until at least 3 months after HPI gives notice to all remaining HPI Securityholders of the delisting date.

Each of the actions and decisions that may be taken by HPI as contemplated above will be the responsibility of the HPI Board at the time, subject to its duties to act in the interests of all HPI Securityholders.

Further information in relation to the potential delisting is set out in section 6.

Please see section 6 of this Bidder's Statement for further details regarding the Bidder's intentions in relation to HPI.

## **1.8 You will not incur any brokerage costs with your acceptance of the Offer**

If Your HPI Securities are registered on an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage fees in connection with your acceptance of the Offer.

You may incur brokerage fees if you choose to sell Your HPI Securities on market or if you instruct your broker to accept the Offer on your behalf. See section 11.13 for more information regarding payment of brokerage fees.

## **1.9 The Offer is subject to a limited number of conditions, including a Minimum Acceptance Condition which requires that the Bidder holds or has received acceptances for at least 50.1% of the HPI Securities before the end of the Offer period and other conditions set out in Annexure A**

The Offer for Your HPI Securities is subject to a limited number of Conditions, including a Minimum Acceptance Condition that requires that the Bidder holds or has received acceptances for at least 50.1% of HPI Securities during the Offer Period and other conditions set out in Annexure A.

See Annexure A for the full list of Conditions.

<sup>13</sup> The HPI Board is responsible for setting distributions to HPI Securityholders. Any reduction in the payment of distributions by HPI is subject to the legal obligation of the HPI Board to have regard to the interests of HPI and all HPI Securityholders and the requirements of the constitutions of each of the HPI entities, together with requirements of the Corporations Act and the ASX Listing Rules.

## 2 Overview of the Offer

The table below answers some frequently asked key questions (“**FAQ**”) that you may have about the Offer and is qualified by, and should be read in conjunction with, the detailed information contained in this Bidder’s Statement. You should read this Bidder’s Statement in full before deciding whether or not to accept the Offer.

If you have further questions, please visit the Offer Website at <https://events.miraqle.com/ch-offer/> or call the Offer Information Line on 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays).

### Offer Structure

#### What is the Offer?

The Bidder is offering to Acquire Your HPI Securities by way of an off-market takeover. You may only accept the Offer for all of Your HPI Securities (other than in certain cases where you are acting as trustee or nominee).

The Offer Price is \$3.65 cash for each HPI Security, on the terms and conditions set out in section 11.

The cash consideration payable under the Offer will be reduced by the amount or value of any Rights to which you or a previous holder of Your HPI Securities become entitled to receive on and from the Announcement Date, which the Bidder does not receive in respect of Your HPI Securities. The Offer will not be reduced by the value of the distribution paid by HPI on 6 September 2024.

#### Who is making the Offer?

The Offer is being made by the Bidder, being Charter Hall Wholesale Management Limited as trustee for CH Investment Trusts.

The units in the CH Investment Trust are owned in equal proportions indirectly by Charter Hall Retail REIT (ASX:CQR) and indirectly by Hostplus. All of the units in the CH Investment Co Trust are owned by Charter Hall Holdings, a subsidiary of Charter Hall Limited one of the stapled entities that comprise the Charter Hall Group.

See section 3 for more information on the Bidder.

#### Who is Charter Hall Retail REIT?

Charter Hall Retail REIT (ASX: CQR) is an ASX-listed real estate investment trust, investing in and managing high quality convenience retail shopping centres and long WALE convenience assets across Australia and NZ.

See section 4.1 for more information on Charter Hall Retail REIT.

#### Who is Hostplus?

Hostplus Superannuation Fund is one of the largest industry superannuation funds in Australia, with approximately 1.8 million members, more than 310,000 employers and approximately \$119 billion in funds under management.<sup>14</sup>

See section 4.3 for more information on Hostplus.

#### What are the arrangements that govern the relationship between CQR and Hostplus?

The relationship between CQR and Hostplus in relation to CH Investment Trust and the conduct and funding of the Takeover Bid is governed by the Bid Conduct Agreement.

A summary of these documents is set out in Section 9.

#### What is the Bidder’s interest in HPI Securities

As at the date immediately before the first Offer is sent, the Bidder has a Relevant Interest and Voting Power in HPI of 18.20% (which includes HPI Securities held by other entities controlled by the Charter Hall Group or Hostplus, including in a trustee or custodial capacity).

Of the HPI Securities in respect of which the Bidder has a Relevant Interest, the Bidder only controls the voting and disposal of HPI Securities equivalent to 14.72% of all HPI Securities.

<sup>14</sup> Includes funds under management for the Host-Plus PST.

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Details of the Bidder's interests in HPI Securities are set out in section 10.7.

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**What are the tax consequences if I accept the Offer?**

See section 8 of this Bidder's Statement for some general comments around potential tax implications of this Offer for HPI Securityholders.

However, tax implications of accepting the Offer for Your HPI Securities will vary for each individual and those general tax comments are not tax advice. Accordingly, you are advised to consult your financial, tax or other professional advisor on the tax implications of accepting the offer.

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**What if I am a foreign HPI Securityholder?**

Foreign HPI Securityholders will be paid the same Australian dollar denominated cash consideration for their HPI Securities as all Australian HPI Securityholders under the Offer, which will be paid via a cheque drawn on an Australian bank branch or as otherwise agreed with the Bidder. However, the tax consequences under the Offer may be different for those foreign HPI Securityholders than for those who are Australian residents including the potential requirement for the Bidder to withhold tax of up to 12.5% of the consideration payable to foreign resident HPI Securityholders. Accordingly, foreign HPI Securityholders should seek advice in relation to the tax implications of accepting the Offer in Australia and in their jurisdiction.

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**Offer Terms and Conditions**

**How do I accept the Offer?**

You may accept the Offer in respect of all (but not some) of your HPI Securities (other than in certain cases where you are acting as trustee or nominee).

**Issuer sponsored securityholders**

If your HPI Securities are held on HPI's issuer sponsored subregister (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept the Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it together with all other documents required by the instructions on the Acceptance Form, to the address indicated on the form so that it is received before the end of the Offer Period.

**CHESS sponsored securityholders**

If your HPI Securities are in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- > completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it together with all other documents required by the instructions on the Acceptance Form, to the address indicated on the form so that it is received before the end of the Offer Period; or
- > instructing your Controlling Participant (usually your stockbroker) in sufficient time for them to accept the Offer on your behalf before the end of the Offer Period.

**Participants**

If you are a Participant, acceptance of the Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

**Full details on how to accept**

Full details on how to accept the Offer are set out in section 11.4 of this Bidder's Statement.

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**What choices do I have as an HPI Securityholder?**

As an HPI Securityholder, you have the following choices in respect of Your HPI Securities:

- > accept the Offer for all of Your HPI Securities;
- > sell some or all of Your HPI Securities on the ASX (unless you have previously accepted the Offer and have not validly withdrawn your acceptance). If you sell some of Your HPI Securities you can accept the Offer for the balance of Your HPI Securities; or
- > do nothing.

Even if you do not accept the Offer, if the Bidder at the end of the Offer Period becomes entitled to do so under the Corporations Act, it intends to exercise its rights to

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compulsorily Acquire Your HPI Securities at the Offer Price (in which case the same value will be available to you for Your HPI Securities but you will be paid later in time).

**What is the Institutional Acceptance Facility?**

The Bidder has established the Facility in relation to the Offer.

HPI Securityholders who are Eligible Securityholders may demonstrate their intention to accept the Offer by lodging with the Facility Operator their Acceptance Instructions in accordance with the terms set out in section 10.5 of this Bidder's Statement.

**Can I accept the Offer for part of my holding in HPI?**

No. You cannot accept the Offer for part of your holding. You may only accept the Offer for all of Your HPI Securities.

However, if you hold one or more parcels of HPI Securities as trustee or nominee, you may accept the Offer as if a separate offer had been made in relation to each of those parcels and any parcel you hold in your own right. A person holding HPI Securities on trust for, as nominee for, or on account of, another person should see section 11.1e.

**Can I withdraw my acceptance?**

Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, the bid remains conditional and the Bidder varies the Offer in a way that postpones for more than one month, the time the Bidder has to meet its obligations under the Offer.

**Is the Bidder acquiring HPI Securities on-market?**

The Bidder reserves its rights to acquire HPI Securities on market where permitted by applicable law, including the Corporations Act and the ASIC Market Integrity Rules. Refer to section 10.11 for further details.

**What happens if I do not accept the Offer?**

If you do not accept the Offer, you will remain a HPI Securityholder unless the Bidder becomes entitled to Acquire Your HPI Securities under the compulsory acquisition provisions in the Corporations Act and proceeds to do so.

Further information on the Bidder's intentions is set out in section 6.

If the Bidder gains Control of HPI but is not entitled to or does not otherwise compulsorily Acquire the remaining HPI Securities, those HPI Securityholders who do not accept the Offer will become minority HPI Securityholders, and may have less influence over the future direction of HPI than they had previously.

**What are the Conditions to the Offer?**

The Offer is conditional on:

- > the Bidder holding or having received acceptances for at least 50.1% of HPI Securities at the end of the Offer Period; and
- > no restraints, no material adverse change, no market fall of more than 10% in the S&P / ASX 200 A-REIT Index, no HPI prescribed occurrences, or material acquisitions or disposals occurring in relation to HPI.

See Annexure A for a more detailed description of the Conditions of the Offer.

Subject to the Corporations Act, the Bidder may choose to waive any of the Conditions in accordance with the terms of the Offer set out in section 11 of this Bidder's Statement.

Details as to how the Conditions can be waived are set out in section 11.9.

**When will I be notified of the status of the Conditions?**

If a Condition is satisfied or waived, the Bidder will, as soon as practicable, give the ASX and HPI a notice that states that the particular Condition has been satisfied or waived.

The Bidder will also give a notice of the status of the Conditions to the ASX and HPI on 28 October 2024, being 7 days before the end of the Offer Period on 4 November 2024 (although this date may be deferred if the Offer Period is extended).

**What happens if the Conditions are not satisfied or waived?**

If the Conditions to the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse. In this case, if you have accepted the Offer, your acceptance will be cancelled and Your HPI Securities will not be acquired by the Bidder and you will not be paid the Offer Price. You will continue to hold Your HPI Securities and be free to deal



with Your HPI Securities as if the Offer had not been made unless you have already sold Your HPI Securities to someone else.

**Can I sell my HPI Securities on ASX?**

Yes, but you may incur brokerage costs if you do.

If you have already accepted the Offer, you will be unable to settle any subsequent sale of Your HPI Securities, subject to you being entitled to withdraw your acceptance - see FAQ 'Can I withdraw my acceptance?' above.

**When does the Offer close?**

The Offer is currently scheduled to close at 7.00pm (Sydney time) on Monday, 4 November 2024 unless it is extended or withdrawn as permitted by the Corporations Act.

**What if I accept the Offer and the Bidder increases the Offer Price?**

If the Bidder increases the Offer Price, all HPI Securityholders who accept the Offer (whether or not they have accepted the Offer before or after the increase) will be entitled to the benefit of the increased Offer Price, should the Offer become unconditional.

If you have already received payment in respect of the Offer at the time the Offer Price is increased, you will be paid the difference between the amount you have received and the higher Offer Price.

**When will I receive the Offer Price?**

If you accept the Offer, and the Offer is or becomes unconditional, you will generally be paid the Offer Price within the earlier of:

- > 1 month after the date you accept the Offer, or, if the Offer is subject to a Condition when you accept the Offer, within 1 month after the Offer becomes unconditional; and
- > 21 days after the end of the Offer Period.

The Offer Consideration will be payable to you by:

- > cheque drawn in Australian currency and sent to you, at your risk, by ordinary mail (or, in the case of HPI Securityholders with addresses outside of Australia, as contemplated in the response to the FAQ "What if I am a foreign HPI Securityholder?" in section 2). Payment of cheques will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box. If your HPI Securities are held in a joint name, any cheque issued will be in the name of the joint holders and forwarded to the address that appears in the register of HPI; or
- > electronic funds transfer (if HPI holds the necessary details in relation to you and you have indicated to HPI that is your preferred method of receiving payments from HPI and HPI provides this information to the Bidder for the purposes of the payment of the Offer Consideration).

Full details of the payment of the Offer Price are set out in section 11.

**Will I need to pay brokerage or stamp duty if I accept the Offer?**

If Your HPI Securities are registered in an Issuer Sponsored Holding (your SRN starts with an "I") in your name and you deliver them directly to the Bidder, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If Your HPI Securities are registered in a CHESS Holding (your HIN starts with an "X"), or if you are a beneficial owner whose HPI Securities are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your 'Controlling Participant' (usually your broker) or nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

You may incur brokerage costs if you choose to sell Your HPI Securities on the ASX or if you instruct your broker to accept the Offer on your behalf.

**Further Information**

**What if I require further information?**

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays).

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# 3 Information about the Bidder

## 3.1 Corporate overview

The Bidder is Charter Hall Wholesale Management Limited (“**CHWML**”) as trustee of the CH Investment Trust and the CH Investment Co Trust.

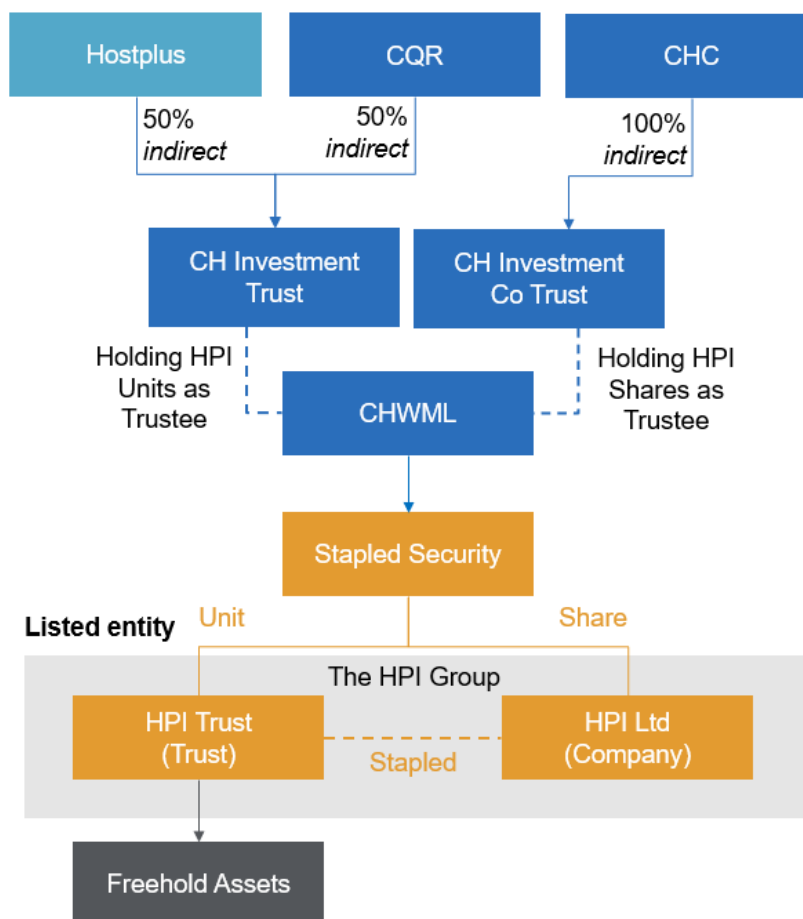
CHWML is an unlisted public company incorporated in Australia. All of the shares of CHWML are owned by Charter Hall Limited, which is one of the stapled entities that comprise the Charter Hall Group. CH Investment Trust is a special purpose acquisition trust which is owned in equal proportions by CQR, indirectly, and Hostplus, indirectly. CH Investment Co Trust is a special purpose acquisition trust all of the units in which are owned by Charter Hall Holdings. Other than nominal seed capital, the Bidder’s existing stake in HPI (with the beneficial interest in the Bidder’s HPI Units held as trustee of the CH Investment Trust and the beneficial interest in the Bidder’s HPI Shares being held as trustee of the CH Investment Co Trust) and subject to the Offer becoming unconditional, the Bidder has no other assets or liabilities.

Further information in relation to the Bidder’s funding arrangements for the Offer are set out in Section 7.

Further information about CQR, Charter Hall Group and Hostplus is set out in Section 4.

## 3.2 Ownership and acquisition structure

The following diagram shows a simplified version of the proposed acquisition structure.



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### 3.3 Bid conduct arrangements

Prior to the date of this Bidder's Statement, CQR, Hostplus, and their respective group entities have entered a Bid Conduct Agreement which relates to the conduct and funding of the Offer and includes the term sheet the parties have agreed in relation to the control, management and funding of the CH Investment Trust.

This agreement and the co-ownership term sheet are summarised in section 9.

### 3.4 Put and call option in relation to certain of the Bidder's HPI Securities

Prior to the date of this Bidder's Statement, the Bidder and Charter Hall Wholesale Management Limited as trustee of the CH First Investment Trust (being the trust formerly called CH Investment Trust and the trust that sold HPI Securities to the Bidder prior to the date of this Bidder's Statement) (**Previous CH HPI Securityholder**), Charter Hall Holdings and CQR entered into a Securities Sale and Purchase Agreement which includes a put and call option whereby the Bidder has a right to sell to Previous CH HPI Securityholder, and Previous CH HPI Securityholder has a right to buy from the Bidder, the HPI Securities that the Bidder previously acquired from Previous CH HPI Securityholder in the event that the Offer does not become unconditional.

This agreement is summarised in section 9.

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# 4 Information about CQR, Charter Hall, and Hostplus

## 4.1 Overview of CQR

### a. Corporate overview, principal activities, and operations

Charter Hall Retail Management Limited (CHRML) is the responsible entity of Charter Hall Retail REIT ('CQR') (ASX:CQR), a real estate investment trust. The units in CQR are referred to in this Bidder's Statement as 'CQR Securities'.

CQR Securities are listed on the ASX under the ticker "CQR" and are traded as single security.

CHRML is a wholly owned subsidiary of Charter Hall Limited, which is one of the stapled entities which comprises the Charter Hall Group. The principal activity of CQR is investment in high quality convenience retail shopping centres and long WALE convenience assets across Australia and NZ.

As at 30 June 2024, CQR had a portfolio comprising more than 600 properties with an aggregate valuation of over \$4 billion and cash reserves of approximately \$18.7 million (approximately \$37 million as at 6 September 2024). In addition, CQR has existing revolving bilateral facilities with CBA, Westpac, NAB, Macquarie, HSBC, Bank of China, Crédit Industriel et Commercial (CIC), Sumitomo Mitsui Trust Bank (SMTB) with undrawn debt capacity as at 30 June 2024 of approximately \$389 million (approximately \$307 million as at 6 September 2024) (**Existing CQR Facilities**).

### b. Board and management

The CQR Board is as follows.

#### [Roger Davis](#)

##### **Independent Non-Executive Chair**

Roger was appointed to the Board of the management company of the Charter Hall Retail REIT on 7 June 2018 as Independent Non-Executive Director and Chair.

Roger brings over 35 years' experience in banking and investment banking in Australia, the US and Japan. He is currently a Consulting Director at Rothschild (Australia) Limited.

In his career as senior executive, Roger was a Managing Director at Citigroup, where he worked for over 20 years in Australia, Japan and the US. More recently, he was a Group Managing Director at ANZ Banking Group responsible for all the Commercial, Investment and Institutional Banking activities.

Roger has a Bachelor of Economics (Hons) from the University of Sydney and a Master of Philosophy from Oxford. He is also a qualified CPA.

#### [Michael Gorman](#)

##### **Independent Non-Executive Director**

Michael joined the Board of CQR on 10 November 2016. Michael brings more than 30 years' extensive experience in both real estate and the public equity and debt markets.

In his 11 years with Novion Property Group, an ASX top 50 entity, and its predecessors, Michael held a number of executive positions including Deputy Chief Executive Officer, Chief Investment Officer and Fund Manager. In these roles, Michael was directly responsible for raising several billion dollars in equity on the Australian Securities Exchange and corporate bonds in the domestic and US markets.

Michael is a Non-Executive Director of GPT Funds Management Limited, the Responsible Entity of the GPT wholesale unlisted funds platform and is the Chair of the Investor Representative Committees for both the GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund. Michael is also a Non-Executive Director of Adelaide Airport Limited.

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Michael completed the Advanced Management Programme at INSEAD, France, holds an MBA from the Australian Graduate School of Management of UNSW, a Bachelor of Science (Architecture) UNSW and a Bachelor of Architecture (First Class Honours, University Medal) at UNSW.

Michael is a Graduate Member of the Australian Institute of Company Directors, a Fellow of the Australian Property Institute and a Fellow of the Royal Society of Arts.

Michael completed the Advanced Management Programme at INSEAD, France, and holds an MBA from the Australian Graduate School of Management of UNSW, a Bachelor of Science (Architecture) UNSW and a Bachelor of Architecture (First Class Honours, University Medal) at UNSW.

Michael is a Graduate Member of the Australian Institute of Company Directors, a Fellow of the Australian Property Institute and a Fellow of the Royal Society of Arts.

### Sue Palmer

#### **Independent Non-Executive Director**

Sue was appointed to the Board of the management company for the Charter Hall Retail REIT on 10 November 2015.

Sue is a professional non-executive director and experienced corporate and finance executive. During her executive career and subsequently, Sue has held a number of non-executive director roles on ASX listed, government and private company boards.

Sue is a Chartered Accountant and Fellow of the Australian Institute of Company Directors.

### David Harrison

#### **Managing Director & Group CEO**

David has over 30 years' property market experience across office, retail and industrial sectors in multiple geographies globally.

As Charter Hall's Managing Director and Group Chief Executive Officer, David is responsible for strategically growing the business and maintaining its position as a multi-core sector market leader. David is an executive member of various Fund Boards and Partnership Investment Committees, and Chair of the Executive Property Valuation Committee and Executive Leadership Committee.

David has overseen the growth of the Charter Hall Group from a fund manager with \$500 million of assets under management when it listed on the ASX in 2005, to today being the largest diversified property fund manager in Australia.

David remains driven to achieve excellence and create a positive impact – giving back to the communities that Charter Hall operates in, and protecting and growing the retirement savings of those invested either directly or indirectly in the company – ensuring every one of Charter Hall's stakeholders benefits through the firm's integrity, discipline and ability to add more value.

David is the Chair of the Property Council of Australia Nominations and Financial Management Committees. He is also a member of the Property Council Australia Champions of Change Coalition.

### Ben Ellis

#### **Retail CEO, Charter Hall Executive Director and Fund Manager**

Ben brings more than 26 years' experience in the property market and with that, a deep knowledge of Charter Hall's business.

As Fund Manager of the Charter Hall Retail REIT and Charter Hall's Retail CEO, Ben is responsible for all management aspects of the Retail Funds Management platform to deliver value creation within the retail portfolio and optimise returns for our investors. Ben's focus on delivering mutual success for our customers has remained consistent throughout his dynamic 22-year career with Charter Hall.

Ben is driven by his passion to foster strong and sustainable relationships that add value for investor customers, tenant customers, partners and communities. Under his leadership, the Retail sector has been recognised for its innovative spirit, with the development of two significant technologies - Autom8 and Lease Easy - that have transformed the way Retail does business for our people and for our customers.

Prior to becoming the Retail CEO, Ben held several roles with Charter Hall including Head of Retail Wholesale and Head of Capital Transactions, overseeing more than \$25 billion of gross transactions across all sectors.

#### c. Fund management team

The Fund Management Team of CQR is as follows.

##### Joanne Donovan

##### **Head of Retail Finance**

Joanne has more than 20 years' of finance experience with 15 years' of that being with Charter Hall. As Head of Retail Finance, Joanne is responsible for all finance aspects of the retail sector including funding and property accounting together with fund financial planning and analysis.

Joanne held several roles with Charter Hall including the Lead Analyst for Office Investment Management and Senior Group Analyst for Charter Hall Group.

Joanne is a Chartered Accountant and has a Bachelor of Commerce from University College Cork, Ireland.

##### Mark Bryant

##### **Group General Counsel and Company Secretary**

Mark holds a Bachelor of Business (Accounting) and a Bachelor of Laws (Hons). Prior to joining Charter Hall in 2012, Mark practised as an M&A and Securities lawyer at law firm King & Wood Mallesons. Mark has 20 years' experience as a lawyer, advising across a range of areas and industries, particularly real estate funds management.

Mark is the person responsible under ASX Listing Rule 12.6 for communications by CQR with ASX.

##### Philip Cheetham

##### **Head of Listed Investor Relations**

Philip has over 25 years of experience in the investment industry. As Head of Listed Investor Relations, Philip works closely with the broader Investor Relations team to ensure institutional investors in listed markets have a good understanding of what drives the returns for Charter Hall's listed vehicles (CHC, CQR, CLW and CQE) as well as ensuring the Group provide excellent service to both existing and potential listed investors and analysts.

Before joining Charter Hall in 2016, Philip worked with Citigroup as Head of A-REITs Research and before that on the trading desk in real estate and equity sales. Over his nine years at Citigroup, Philip advised many of the largest specialist listed real estate investors from around the world.

Prior to his time at Citigroup, Philip was a portfolio manager at RREEF Property Securities, managing listed real estate equity portfolios and as an analyst and portfolio manager at Colonial First State.

## **4.2 Overview of Charter Hall Group**

Charter Hall Group (listed on ASX with the ticker "CHC") is a stapled group comprising shares in Charter Hall Limited and units in Charter Hall Property Trust.

Charter Hall Group is one of Australia's leading integrated property groups, with over 30 years' experience in managing listed and unlisted property funds on behalf of wholesale, institutional and retail investors. Since 2004, Charter Hall Group has grown from \$500 million to \$80.9 billion of assets under management as at 30 June 2024.

Charter Hall Group uses its property expertise to access, deploy, manage and invest equity across core real estate sectors – Office, Retail, Industrial & Logistics and Social Infrastructure.

Charter Hall Group operates with prudence has carefully curated a diverse portfolio of over 1,600 high quality properties (as at 30 June 2024).

Charter Hall Group's interests are aligned with CQR through a material investment in CQR with a holding of approximately 9.35% of all CQR Securities on issue as at the date of this Bidder's Statement.

### 4.3 Overview of Hostplus

The Hostplus Superannuation Fund was founded by the Australian Hotels Association and the United Workers Union (formerly called United Voice) in 1988. The Hostplus Superannuation Fund has since grown to be one of the largest industry superannuation funds in Australia. With approximately 1.8 million members, more than 310,000 employers and approximately \$119 billion in funds under management<sup>15</sup>, the scale and ongoing growth of the Hostplus Superannuation Fund allows for low member costs and a broad range of investment opportunities. The Hostplus Superannuation Fund is proud of its industry fund heritage and is run only to benefit its members.

The Host-Plus PST is a pooled superannuation trust, which is regulated by Australian Prudential Regulation Authority and is an investment vehicle for the entities that are unitholders in the trust, being an investment vehicle of a number of superannuation funds, including the investment assets of the Hostplus Superannuation Fund.

Hostplus leverages the expertise of external investment managers to invest its members' funds, appointing approximately 120 investment managers to manage Hostplus' investments across various asset classes and strategies. Hostplus has indirect investments in approximately 150 hotel and pub assets in Australia which are managed by the Charter Hall Group.

The board of Host-Plus Pty Limited is comprised of David Elia (CEO and Company Secretary) and the following directors: Damien Frawley, Janet Whiting, David Gibson, Tim Lyons, David Attenborough, Craig Laundry, Gary Bullock, Bev Myers and Jessica Rudd. Brian Kearney and Julia Korlevska are each appointed as an alternate director.

<sup>15</sup> Includes funds under management for the Host-Plus PST.

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# 5 Information on HPI

## 5.1 Disclaimer

This overview of HPI and all information concerning HPI contained in this Bidder's Statement has been prepared using publicly available information.

None of the information in this Bidder's Statement concerning HPI's business has been verified by HPI or the HPI Board or independently verified by the Bidder, CQR or Hostplus or their directors or officers for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, none of the Bidder, CQR or Hostplus, nor any member of Bidder Group or their respective directors, officers or employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information. The information on HPI in this Bidder's Statement should not be considered comprehensive.

Further information relating to HPI's business may be included in HPI's Target Statement which HPI must provide to HPI Securityholders in response to this Bidder's Statement.

## 5.2 Overview of HPI and its principal activities

HPI is an ASX-listed internally managed REIT, which was admitted to the Official List of the ASX on 10 December 2013, with the principal activity of real estate investment in the pub sector in Australia.

HPI is comprised of two entities, the following securities of which are stapled and listed on the ASX and may only be traded on the ASX together:

- > A fully paid unit in Hotel Property Investments Trust (ARSN 166 484 377); and
- > A fully paid ordinary share in Hotel Property Investments Limited (ABN 25 010 330 515).

The HPI portfolio is outlined below<sup>16</sup>:

Property	Valuations as at 30 June 2024 \$ 000s
<b>Queensland</b>	
Berserker Tavern, Rockhampton	20,600
Bonny View Tavern, Bald Hills	15,400
Boomerang Motor Hotel, West Mackay	9,900
Bribie Island Hotel, Bellara	32,500
Brighton Hotel, Brighton	27,960
Caboolture Sundowner Hotel Motel, Caboolture	21,290
Chancellors Tavern, Sippy Downs	26,200
Cleveland Sands Hotel, Cleveland	43,900
Club Hotel, Gladstone	9,650
Coomera Lodge Hotel, Oxenford	14,050
Crown Hotel, Lutwyche	60,500
Dunwoodys Tavern, Cairns	35,750
Everton Park Hotel, Everton Park	40,000
Ferry Rd Tavern, Southport	46,570
Cleveland Tavern, Cleveland	23,850
Diamonds Tavern, Kallangur	14,950
Fitzys Loganholme, Loganholme	38,400
Fitzys Waterford, Waterford	27,050
Grafton Hotel, Edmonton	10,000
Kings Beach Tavern, Caloundra	33,170
Kooyong Motor Hotel, North Mackay	13,670
Leichhardt Hotel, Rockhampton	15,850
Mi Hi Tavern, Brassal	27,200
New Inala Hotel, Inala	22,310
Palm Cove Tavern, Palm Cove	12,250
Sole on Sheridan, Cairns	12,550
The Regatta, Toowong	59,600

<sup>16</sup> Excludes Hotel HQ, Brisbane which was sold and settled on 1 July 2024.

Property	Valuations as at 30 June 2024 \$ 000s
Tom's Tavern, Aitkenvale	27,060
Trinity Beach Hotel, Trinity Beach	22,900
Beenleigh, Btwn Brisbane and Gold Coast	18,950
Magnum, Airlie Beach	30,000
Wallaby, Gold Coast	22,620
Jubilee, Airlie Beach	13,600
Surf Air Hotel, Marcoola	13,340
Commercial Hotel, Clermont	3,650
Grand Hotel, Clermont	3,300
Capella Hotel, Capella	3,760
Commonwealth Hotel, Roma	10,815
White Bull Tavern, Roma	3,605
Strand Hotel, Yeppoon	11,750
Woodpecker Tavern, Burpengary <sup>17</sup>	7,460
Royal Mail Hotel, Tewantin <sup>17</sup>	17,450
Mango Hill, Brisbane	43,750
<b>South Australia</b>	
Grand Junction Hotel, Pennington	17,870
Brighton Metro Hotel, Brighton	23,600
The Unley, Parkside <sup>18</sup>	6,220
The Mile End, Mile End	15,600
Avenues Café Bar, Adelaide	14,700
The West End Tavern, Adelaide <sup>18</sup>	3,650
Mick O'Shea's Hotel, Hackham	9,700
The Duck Inn, Coromandel Valley	12,950
Victoria Hotel, Strathalbyn	6,250
Waterloo Tavern, Paralowie	32,400
<b>New South Wales</b>	
Quest Griffith, Griffith	17,700
Gregory Hills, SW Sydney	46,700
<b>Victoria</b>	
Summerhill, Melbourne	34,400
Edwardes Lake Hotel, Reservoir	30,140
<b>Western Australia</b>	
Cornerstone Ale House, Butler	4,100
<b>Total</b>	<b>A\$1,245m</b>

### 5.3 HPI Directors

As at the Last Practicable Date, the directors of the board of HPI are:

- Giselle Collins – Independent Non-Executive Chairman
- Lachlan Edwards – Independent Non-Executive Director
- Anne Michaels – Independent Non-Executive Director
- Chris Judd – Independent Non-Executive Director
- John White – Managing Director

### 5.4 Interests of HPI Directors in HPI

According to documents provided by HPI to the ASX as at the Last Practicable Date, the HPI Directors' interests in HPI Securities are:

Director	Number of HPI Securities	% of HPI Securities (undiluted basis)
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<sup>17</sup> In HPI's FY24 financial results, the Royal Mail Hotel and Woodpecker Tavern are disclosed as assets contracted for sale. HPI disclosed that these two assets are expected to settle in March 2025.

<sup>18</sup> In HPI's FY24 financial results, The Unley and The West End Tavern are classified as assets held for sale.

Giselle Collins	92,614	0.0%
Lachlan Edwards	500,000	0.3%
Anne Michaels	13,421	0.0%
Chris Judd	0	0.0%
John White	29,400	0.0%
<b>Total</b>	<b>635,435</b>	<b>0.3%</b>

## 5.5 Management personnel of HPI

The Bidder understands that the management personnel of HPI as at the Last Practicable Date is as follows:

- a. John White (CEO and Managing Director commenced 2 September 2024);
- b. Blair Strik (CFO & Company Secretary);
- c. Sujith Abeysekera (Finance Manager); and
- d. Sean Gayler (General Manager Property).

## 5.6 HPI's issued securities

According to documents provided by HPI to the ASX:

- > as at 9 September 2024, HPI's issued securities consist of 196,582,693 HPI Securities; and
- > as at 9 September 2024, HPI has 190,094 HPI Performance Rights on issue.

As at 10 September 2024, based on substantial holder notices provided to HPI, the substantial securityholders of HPI Securities are set out in the table below. The Voting Power of each holder is that disclosed in the substantial holder notice, calculated based on the total HPI Securities on issue at the time the relevant notice was filed. The Voting Power of the first three substantial holders referred to in the table below (being the Bidder, Hostplus and Charter Hall Group) relates to the same HPI Securities (in the case of Bidder and Hostplus) or substantially the same HPI Securities (in the case of Charter Hall Group relative to Bidder and Hostplus).

Substantial holder	Date of most recent substantial holder notice	Number of HPI Securities (millions)	% of HPI Securities (undiluted basis)
Bidder	10 September 2024	36.48	18.56% <sup>19</sup>
Hostplus	10 September 2024	36.48	18.56%
Charter Hall Group	28 March 2024	35.0	17.9%
Vanguard	10 September 2019	13.7	9.4% <sup>20</sup>
Yarra Capital Management	21 June 2024	9.8	5.0%

## 5.7 Historical financial information of HPI

The historical financial information of HPI presented in this section is on a stand-alone basis and has been derived from the historical consolidated financial statements of HPI. It is provided as a summary only and does not represent the complete financial statements and should therefore be read in conjunction with the financial statements including the

<sup>19</sup> Details of the Bidder's interests in HPI Securities, including its Relevant Interest and Voting Power as at 25 September 2024, are set out in section 10.7.

<sup>20</sup> As noted above, this percentage is as disclosed in the substantial holder notice, calculated based on the total HPI Securities on issue at the time the relevant notice was filed. Subsequent to the filing of the substantial holder notice, there have been a number of changes to HPI's capital structure, including equity issuances, which taken together with the holder's level of participation in the equity issuances (which is not disclosed), may impact the current percentage of HPI Securities held.

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description of the accounting policies contained in those financial statements and the notes to those financial statements. These can be found in HPI's Annual Reports and Half-year Reports. Copies of those reports are available from HPI's website at <https://www.hpitrust.com.au/annual-interim-reports/>.

a. Historical HPI earnings and distributions history

### Summary earnings and distributions

	12 months to 30 June 2024	12 months to 30 June 2023
AFFO (cents per security) <sup>21</sup>	19.0	18.6
Distributions (cents per security)	19.0	18.6

b. Historical HPI summary balance sheet metrics

### Summary balance sheet metrics

	As at 30 June 2024	As at 30 June 2023
Gearing (Drawn Debt minus Cash / Total Assets minus Cash) (%)	37.0%	36.1%
NTA per security (\$)	4.01	4.02

## 5.8 Change of control triggers in HPI leases

The Bidder has conducted due diligence on HPI leases. This due diligence has been limited to a review of publicly available information, including copies of those leases that are registered with the relevant State authorities.

In this due diligence, the Bidder has identified that:

- > 43 of the leases granted by HPI include a first right of refusal in favour of the relevant tenants; and
- > of the 43 leases that include a first right of refusal, 33 of these (each being a QVC Lease) contain provisions to the effect that the relevant tenant's first right of refusal may be invoked not just on a freehold transfer but also upon a Change of Control.

While the provisions are ambiguous, noting the Bidder's interests in HPI Securities (see section 10.7) the Bidder considers that the Offer will not result in a Change of Control as defined in the QVC Leases. The relevant definition of Change of Control in the QVC Leases is set out in the definitions section (Section 12) of this Bidder's Statement.

Even if the Offer is found to constitute a Change of Control, there is uncertainty as to whether the first rights of refusal are capable of being exercised in such circumstances and, if so, how they would operate. Further, where the first rights of refusal are capable of being exercised, any sale of a property that might follow such exercise would be at a price not less than market value of the relevant property.

Notwithstanding the Bidder's view of the provisions, there is a risk that the tenants will seek to enforce their first rights of refusal and acquire some or all of the relevant properties the subject of the QVC Leases. The Bidder intends to challenge any such attempt by a tenant under a QVC Lease.

There is a risk that a Court would find in favour of a tenant and allow it to acquire the property the subject of the relevant QVC Lease.

## 5.9 Publicly available information

HPI is a listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as an ASX-listed company, HPI is subject to the ASX Listing Rules which,

<sup>21</sup> Adjusted Funds From Operations ("AFFO") is a measure of cashflow from operations reported by HPI which is calculated as profit for the year adjusted for fair value movements, losses or gains on hedging, other non-cash items, tax, and maintenance capital expenditure.

subject to certain limited exceptions, require continuous disclosure of any information HPI has concerning it that a reasonable person would expect to have a material effect on the price or value of the HPI Securities. For information concerning the financial position and affairs of HPI, you should refer to the information that has been disclosed by HPI in accordance with these obligations.

The ASX website lists all announcements issued by HPI. These documents are available in electronic form at [www.asx.com.au](http://www.asx.com.au).

In addition, HPI is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by HPI may be obtained from, or inspected at, an office of ASIC. Further information about HPI is available at <https://www.hpitrust.com.au/>.

The most recent audited financial statements of HPI for the year ended 30 June 2024 were lodged with the ASX on 21 August 2024.

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# 6 Bidder's intentions in relation to HPI

## 6.1 Introduction

This section 6 sets out the Bidder's intentions in relation to the following:

- a. the continuation of the business and operations of HPI;
- b. any major changes to the business or operations of HPI;
- c. the future employment of the present employees of HPI; and
- d. any plans to remove the current responsible entity for HPI and appoint a new responsible entity.

These intentions are based on the publicly available information concerning HPI, its business and the general business environment which is known to the Bidder at the time of preparation of this Bidder's Statement. However, the Bidder does not currently have full knowledge of all material information necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Final decisions regarding these matters will only be made by the Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may change as new information becomes available or circumstances change, and the statements in this section should be read in this context.

## 6.2 General operational and strategic review

At the end of the Offer Period, the Bidder intends, to the extent it is able, to conduct a review of HPI's assets and operations on both a strategic and financial level to evaluate HPI's performance, profitability, business operations and strategy. The Bidder may also seek to do this prior to the end of the Offer Period, including while the Offer remains subject to Conditions.

The investment strategy of the Bidder where it owns 100% of HPI is to grow a portfolio of retail liquor distribution assets in Australia, primarily consisting of hotels and retail liquor outlets. The investment strategy of the Bidder for so long as it owns less than 100% of HPI is to use reasonable endeavours to ensure that HPI (and its subsidiaries) delivers a resilient income stream from a portfolio of retail liquor distribution assets in Australia, primarily consisting of hotels and retail liquor outlets. See section 9.3(c) for more information.

While the Bidder does not have any specific intentions in relation to this review or its outcomes, its current expectation is that any review would focus on:

- > potential asset disposals;
- > potential repositioning of the portfolio;
- > changes to development and redevelopment programs;
- > management arrangements;
- > potential restructuring of HPI's debt;
- > hedging transactions; and
- > capital management and distributions.

Once this review has been completed, the Bidder will determine the actions necessary to optimise HPI's operations. In particular, the Bidder will determine the optimal strategy in terms of realising maximum value for the Bidder Group's investment in HPI. In doing so, the Bidder will keep all options open for value maximisation.

## 6.3 Intentions if the Bidder and its associates have a Relevant Interest in 90% or more of the HPI Securities

This section 6.3 sets out the Bidder's current intentions if at the end of the Offer Period it and its associates have a Relevant Interest in 90% or more of all HPI Securities and is entitled to proceed to compulsory acquisition of the remaining HPI Securities under the Corporations Act.

### a. Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, the Bidder intends to proceed with compulsory acquisition in accordance with the provisions of Chapter 6A of the Corporations Act.

#### **b. ASX Listing**

If the Bidder is entitled to proceed with compulsory acquisition, the Bidder intends to arrange for HPI to be removed from the Official List of the ASX. ASX will automatically suspend quotation of HPI Securities 5 business days after it receives a copy of the compulsory acquisition notice sent to the remaining holders of HPI Securities. The ASX would then usually remove HPI from the Official List of ASX at the close of trading on the third business day following the suspension.

#### **c. Directors**

The Bidder intends to replace all members of the HPI Board with its own nominees (subject to the formal requirements of the Corporations Act and of the HPI constitutions). The identity of the Bidder's nominee directors has not yet been determined by the Bidder, but nominees will be selected to bring technical and managerial expertise to HPI's Board.

#### **d. Externalise or outsource management**

The Bidder has appointed Charter Hall Holdings to provide asset management services in relation to the Bidder and any assets of the Bidder as well as any wholly-owned sub-trust of the Bidder and any wholly-owned sub-trust's assets. Accordingly, if the Bidder Acquires 100% of the HPI Securities, Charter Hall Holdings will become the asset manager of HPI and HPI's assets.

In addition, the Bidder may procure that HPI appoint a Charter Hall Group entity to provide property and development management services. While no decision has been made by the Bidder as at the date of this Bidder's Statement, it is possible that a decision is made to externalise or outsource the management function, following completion of the aforementioned review.

No decision has been made by the Bidder as at the date of this Bidder's Statement regarding the future employment of the present employees of HPI, and the future management of HPI will be subject to the operational review per section 6.2.

The Bidder has no plans to remove the current responsible entity for HPI.

#### **e. Registered scheme status**

If the Bidder is entitled to proceed with compulsory acquisition, the Bidder intends to apply to deregister HPI Trust as a registered managed investment scheme with ASIC following the conclusion of the compulsory acquisition process.

#### **f. Refinancing**

If the Bidder is entitled to proceed with compulsory acquisition, the Bidder as part of its strategic and capital management review will consider refinancing options.

### **6.4 Intentions if the Bidder has a Relevant Interest in more than 50% but less than 90% of the HPI Securities**

This section 6.4 sets out the Bidder's current intentions if, at the end of the Offer Period, the Bidder has a Relevant Interest in more than 50% of the HPI Securities but together with its associates has a Relevant Interest in less than 90% of the HPI Securities.

#### **a. Active major securityholder**

Subject to the Corporations Act, the Bidder intends to become actively involved in determining and controlling the strategic direction of the business of HPI. Additionally, if the Bidder receives acceptances under the Offer which brings its Relevant Interest to more than 75% of the HPI Securities, it will be in a position to cast the votes required to determine the outcome of a "special resolution" at a meeting of HPI members, subject to any applicable voting exclusions. This would enable the Bidder to pass resolutions, for example, to amend the HPI constitutions. The Bidder has no current intention to propose any amendment to the HPI constitutions but reserves the right to do so.

#### **b. Directors**

If at the end of the Offer Period, the Bidder is the majority securityholder in HPI, it intends (subject to the formal requirements of the Corporations Act and of the HPI Company's constitution) to replace all members of the HPI Board with its own nominees. The Bidder may also seek to do this prior to the end of the Offer Period, including while the Offer remains subject to Conditions. The Bidder will therefore gain control over the HPI Board, and in this case (through its

representatives on the HPI Board), will control the decisions and the future direction of HPI to the extent permissible by law and the ASX Listing Rules.

The identity of the Bidder's nominee directors has not yet been determined by the Bidder, but nominees will be selected to bring technical and managerial expertise to the HPI Board. The Bidder nominees will ensure they comply with their fiduciary duties and obligations as directors of HPI, in particularly in dealing with any potential conflicts of interest.

Notwithstanding the above, the Bidder may invite one or more existing non-executive directors on the HPI Board to remain as a director.

#### **c. Externalise or outsource management**

As part of the review referred to in section 6.2, the Bidder will also consider the appointment of appropriately licenced Charter Hall Group entities to manage HPI and HPI's assets. The fees that would be payable to Charter Hall Group would be comparable to the management expenses historically incurred by HPI.

Considerations relevant to any decision by the Bidder as to whether to externalise or outsource the management function will include (1) the potential cost savings to HPI, (2) whether HPI has sufficient resources to continue to perform the management function and if not, what additional resources are required.

If a Charter Hall Group entity is appointed to manage HPI and/or HPI's assets, the Charter Hall Group's general conflicts policy would apply to this arrangement. This policy sets out the basis on which Charter Hall Group manages conflicts across its mandates and managed funds. A copy of this policy is available at <https://www.charterhall.com.au/corp-governance/corporate-governance-charter-hall-group>. If a Charter Hall Group entity is appointed to manage HPI and/or HPI's assets, as asset acquisition opportunities arise, the Charter Hall Group may present those opportunities to its managed funds and manage those opportunities in accordance with its internal asset allocation protocol. No such fund currently has a first right over assets with lease arrangements of the kind currently owned by HPI.

No decision has been made by the Bidder as at the date of this Bidder's Statement regarding the future employment of the present employees of HPI, and the future management of HPI will be subject to the operational review per section 6.2. The Bidder has no plans to remove the current responsible entity for HPI.

#### **d. ASX delisting**

If, at the end of the Offer Period, the Bidder has a Relevant Interest in more than 50% of the HPI Securities but is not able to proceed to compulsory acquisition, the Bidder intends to consider whether it is appropriate to maintain HPI's listing on the ASX, having regard to considerations such as the Bidder's level of ownership, the costs associated with maintaining the listing, the number of remaining HPI Securityholders and the liquidity of the HPI Securities on the ASX following the end of the Offer Period.

The Bidder intends to cause HPI to apply for removal from the official list of the ASX where it is entitled to do so in accordance with ASX Listing Rules and ASX guidance.

One of the circumstances in which the Bidder may decide to cause HPI to apply for delisting is where the Bidder owns or controls at least 75% of the HPI Securities.

ASX guidance indicates that it would be likely to approve an application for HPI to be removed from the official list of the ASX without any need for HPI Securityholder approval if the following conditions are satisfied, among other conditions:<sup>22</sup>

- > at the end of the Offer Period, the Bidder owns or controls at least 75% of the HPI Securities and the Offer Period has remained open for at least two weeks after the Bidder attained ownership or control of at least 75% of the HPI Securities;
- > fewer than 150 HPI Securityholders (other than the Bidder) have holdings with a value of at least \$500; and
- > the delisting from the Official List does not take effect until at least 3 months after HPI gives notice to all remaining HPI Securityholders of the delisting date.

In addition, the Bidder may cause HPI to apply for delisting after the date that is 12 months after the close of the Offer Period.

ASX guidance states that it may approve an application for HPI to be removed from the official list of the ASX with HPI Securityholder approval and, where such removal is sought later than 12 months after the close of the Offer Period, the Bidder Group would generally be entitled to vote on the resolution approving the removal.

<sup>22</sup> See section 2.10 of ASX Guidance Note 33 for further detail.



The Bidder has not at the date of this Bidder's Statement determined whether or in what circumstances it will seek to cause HPI Securities to be delisted.

#### **e. General operational and strategic review**

The Bidder intends to encourage HPI to conduct a broad based review of HPI's portfolio and management along similar lines to that described in section 6.2.

The Bidder would seek to participate in such a review.

#### **f. Capital management and distributions**

The Bidder intends to form views on the most effective and efficient capital structure for HPI, including whether HPI's financial leverage could be reduced from its current levels. This may affect the Bidder's view on the payment of distributions by HPI. The HPI Board is responsible for setting distributions to HPI Securityholders, subject to the legal obligation of the HPI Board to have regard to the interests of HPI and all HPI Securityholders and the requirements of the constitutions of each of the HPI entities, together with requirements of the Corporations Act and the ASX Listing Rules.

The Bidder considers that the proposed review of HPI's distribution and capital management policies will assist in identifying the most effective and efficient capital structure for HPI. The Bidder's view on payment of distributions by HPI may be different to HPI's current distribution policy.

No determination has yet been made by the Bidder regarding HPI's distribution and capital management policies after the conclusion of the Offer, nor is it practical to make any such determination until after the conclusion of the Offer.

#### **g. Other intentions**

The Bidder may seek to acquire further HPI Securities whether in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act (which, in summary, allows a person to increase their Voting Power by 3% every six months) or otherwise. Where it does so it may become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. Any acquisition in reliance on the "creep" provisions could not be undertaken until at least 6 months after the Offer opens. The Bidder will make an assessment at the relevant time based on the then current circumstances as to whether or not it will undertake any such further acquisitions of the HPI Securities.

If the threshold for compulsory acquisition is reached, the Bidder intends to exercise those rights of compulsory acquisition. In this scenario following completion of the compulsory acquisition of the remaining HPI Securities, the Bidder intends to cause HPI to apply for termination of official quotation of the HPI Securities on the ASX and to arrange for HPI to be removed from the Official List of the ASX.<sup>23</sup>

### **6.5 Intentions if the Bidder does not acquire control of HPI**

This section 6.5 sets out the Bidder's intentions if it does not obtain control of HPI (i.e. where the Bidder has elected to waive the Minimum Acceptance Condition and at the end of the Offer Period, the Bidder holds and has received acceptances for less than 50.1% of the HPI Securities).

At the time of the preparation of this Bidder's Statement, the Offer is conditional upon the Bidder holds and has received acceptances for at least 50.1% of the HPI Securities by the end of the Offer Period. While the Bidder has no present intentions to waive the Minimum Acceptance Condition (and any other Conditions), it is entitled to do so in accordance with the Corporations Act and reserves its right to do so.

If the Bidder frees the Offer from the Minimum Acceptance Condition and at the end of the Offer Period the Bidder holds and has received acceptances for less than 50.1% of the HPI Securities, the interest will become an investment of the Bidder which will be reviewed in accordance with the Bidder's investment policy.

The Bidder may Acquire additional HPI Securities, including under the "3% creep" provisions of the Corporations Act or by other means permitted under the Corporations Act. The Bidder has not decided whether it will Acquire further HPI Securities, as that will be dependent upon (among other things) the extent of the Relevant Interest of the Bidder in HPI and market conditions at the time. Any acquisition in reliance on the "creep" provisions could not be undertaken until at least 6 months after the Offer opens.

<sup>23</sup> See section 6.4(d) for more detail on the circumstances in which HPI may be removed from the Official List of the ASX, noting that there are limited circumstances in which ASX will approve an application for HPI to be removed from the Official List. ASX guidance indicates that applications for removal from the Official List without the need for securityholder approval will only be approved by ASX where, amongst other requirements, the Bidder owns or controls at least 75% of the HPI Securities and the Offer Period has remained open for at least 2 weeks after this level of control was obtained; fewer than 150 HPI Securityholders (other than the Bidder) have holdings with a value of at least \$500; and the delisting does not take effect until at least 3 months after HPI notifies all remaining HPI Securityholders of the delisting date.

In circumstances in which the Bidder does not acquire control of HPI following the end of the Offer Period:

- > The Bidder will, subject to market conditions, deal with its stake in HPI with a view to maximising returns for the Bidder; and
- > if it considers that it has sufficient voting power and will obtain sufficient support from other HPI Securityholders to be successful, the Bidder may convene or requisition a meeting of Hotel Property Investments Limited shareholders seeking to replace some or all of the directors on the HPI Board with its own nominees. The identity of the Bidder's nominees have not yet been determined by the Bidder, but will be selected to bring technical and managerial expertise to HPI's Board. The Bidder nominees will ensure they comply with their fiduciary duties and obligations as directors of HPI, in particularly in dealing with any potential conflicts of interest.
- > If the Bidder is successful in having its nominees appointed to the HPI Board, the Bidder will also seek to pursue the same initiatives set out in sections 6.4(a), (c), (d), (e) and (f).

## 6.6 Limitations in giving effect to intentions

The ability of the Bidder to implement the intentions set out in sections 6.4 and 6.5 will be subject to the legal obligation of the HPI Board to have regard to the interests of HPI and all HPI Securityholders and the requirements of the constitutions of each of the HPI entities, together with requirements of the Corporations Act and the ASX Listing Rules, including in relation to transactions between related parties. These rules may limit or modify the implementation of the intentions outlined above.

The intentions and statements of future conduct set out in this section 6 are subject to:

- > the legal obligations of the directors on the HPI Board at the time, including any directors who were nominated by the Bidder, to act in good faith in the best interests of HPI Securityholders and for proper purposes and to have regard to the interests of all HPI Securityholders;
- > the legal obligations of the responsible entity of HPI, to act honestly and in the best interests of HPI Securityholders and for proper purposes and to have regard to the interests of all HPI Securityholders and to exercise the degree of care and diligence that a reasonable person would exercise if they were in the responsible entity's position;
- > the law (including the Corporations Act) and the ASX Listing Rules, including in relation to conflicts of interest and "related party" transactions given that, if the Bidder obtains control of HPI and replaces the responsible entity but does not acquire all of the HPI Securities, the Bidder Group will be treated as related parties of HPI for these purposes;
- > the Bidder's ability to implement its intentions will be limited by its ability to influence the decisions of HPI in its capacity as an HPI Securityholder (majority or not), including through any directors who were nominated by the Bidder to the HPI Board, who will be required to act in good faith in the best interests of HPI Securityholders and for proper purposes and to have regard to the interests of all HPI Securityholders; and
- > any HPI Securityholder (including minorities) approval(s) required for the implementation of some of the intentions outlined above.

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# 7 Funding

## 7.1 Background

The Offer is not subject to any financing Condition. Sections 7.2 and 7.3 set out the means by which the Bidder Group intends to fund the Offer as at the date of this Bidder's Statement. The actual source of funds used by the Bidder Group to satisfy its obligations to pay the Offer Price may ultimately differ from those set out in this section 7.

Sections 7.4 to 7.6 set out a summary of the debt financing arrangements the Bidder has in place to address a potential requirement to refinance HPI's existing debt arrangements.

## 7.2 Maximum consideration payable

The Offer Price for the acquisition of Your HPI Securities under the Offer will be satisfied wholly by payment in cash (in Australian dollars). The Offer Consideration will be payable to you by:

- > cheque drawn in Australian currency and sent to you, at your risk, by ordinary mail (or, in the case of HPI Securityholders with addresses outside of Australia, as contemplated in the response to the FAQ "What if I am a foreign HPI Securityholder?" in section 2). Payment of cheques will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box. If your HPI Securities are held in a joint name, any cheque issued will be in the name of the joint holders and forwarded to the address that appears in the register of HPI; or
- > electronic funds transfer (if HPI holds the necessary details in relation to you and you have indicated to HPI that is your preferred method of receiving payments from HPI and HPI provides this information to the Bidder for the purposes of the payment of the Offer Price).

Full details of the payment of the Offer Price are set out in section 11.

The maximum amount of cash that the Bidder Group would be required to pay under the Offer if acceptances are received in respect of all the HPI Securities on issue (other than those HPI Securities which the Bidder Group or an associate already holds) together with the HPI Securities which may be issued if all HPI Performance Rights were converted into HPI Securities as at the date of this Bidder's Statement is \$612,619,379.90. This is calculated on the basis of 196,582,693 HPI Securities outstanding as at the date of this Bidder's Statement less the 28,931,861 HPI Securities the Bidder holds or is entitled to hold plus 190,094 HPI Performance Rights outstanding as at the date of this Bidder's Statement, at an Offer Price of \$3.65 per HPI Security.

## 7.3 Sources of cash consideration

The maximum consideration payable by the Bidder Group under the Offer and any associated transaction costs ("**Aggregate Funding Requirement**") are proposed to be funded on the basis that CQR and Hostplus will provide 100% of the funds for the Offer through the following cash funding arrangements set out below.

CQR and Hostplus have agreed to provide their share of the Aggregate Funding Requirement to the Bidder in accordance with the Bid Conduct Agreement summarised in section 9.

### a. CQR funding arrangements

CQR can fund its share of the Aggregate Funding Requirement, through existing cash and cash equivalents, and from drawdowns under existing CQR debt facilities. CQR's percentage share of the Aggregate Funding Requirement is the same as its percentage interest in CH Investment Trust (being 50%).

As at 6 September 2024, CQR had cash reserves of approximately \$37 million and undrawn debt capacity of approximately \$307 million. These amounts are in excess of CQR's share of the Aggregate Funding Requirement.

CQR's cash reserves are not required by CQR for other purposes and are immediately available to be applied towards CQR's share of the Aggregate Funding Requirement.

CQR's undrawn debt capacity is available under the Existing CQR Facilities which have an aggregate limit of \$975 million.

The earliest maturity date under the Existing CQR Facilities is March 2026. The undrawn funds under these facilities are not required by CQR for other purposes and are immediately available for drawdown subject only to delivery of a compliance certificate by CQR attesting to or demonstrating the absence of a default or event of default which has occurred or is continuing, or would occur as a result of a drawdown and the compliance with certain financial covenants; the satisfaction of mechanical and customary conditions precedent (such as the giving of a drawdown notice and the payment of any fees or expenses which are owing and due). CQR is not aware of any reason why these conditions precedent would not be satisfied at such time as necessary to fund CQR's share of the Aggregate Funding Requirement.

CQR's existing bilateral revolving facilities contain events of default, subject to applicable grace periods, that are customary for facilities of this nature, including: (a) non-payment of principal, interest or other amounts; (b) breaches of covenants; and (c) cross-default and cross-acceleration under certain other indebtedness. CQR has no reason to believe that any of the events of default will occur such that a drawdown will not be able to be made.

#### b. Hostplus funding arrangements

Hostplus has the requisite funds available to satisfy its share of the Aggregate Funding Requirement. Hostplus' percentage share of the Aggregate Funding Requirement is the same as its percentage interest in CH Investment Trust (being 50%). Hostplus' internal cash funding sources (which includes cash at bank and assets readily convertible to cash, such as money market securities) are materially in excess of the Aggregate Funding Requirement, and such funds may be called from time to time in the ordinary course of its business including as necessary to enable Hostplus to fund the Aggregate Funding Requirement.

## 7.4 Background to Debt Financing

Based on its review of publicly available information the Bidder understands that as at 30 June 2024 HPI has the following debt arrangements (as reported in HPI's financial statements released on 21 August 2024):

- > U.S. Private Placement notes (**USPP**) – comprised of five tranches of unsecured Australian Dollar denominated notes totaling \$310 million drawn with various tenor and maturity dates.
- > Bank debt (**Bank Debt**) – comprised of three facilities (each bilaterally provided under the 'Common Terms Deed' and totaling \$205.6 million in total commitments as at 30 June 2024).

The Offer (by change of control, delisting from the ASX or otherwise) may trigger an obligation for HPI to repay some or all of its existing debt arrangements. To the extent that a repayment obligation is triggered and is not waived by the relevant financier, then HPI will need to refinance such debt. In anticipation of this circumstance, the CH Investment Trust has obtained a commitment letter for a backstop facility to enable it to on loan funds to HPI so that HPI can refinance the Bank Debt and / or USPPs to the extent required (as set out further in section 7.5).

The Bidder does not have copies of the relevant finance documents relating to the Bank Debt or USPPs and therefore is not presently aware whether the Offer could potentially trigger a repayment obligation.

## 7.5 Backstop Facility

The CH Investment Trust has entered into a binding letter of commitment with ANZ for a 5 year revolving cash advance facility ("**Backstop Facility**") to be used by the CH Investment Trust (as may be required) to fund:

- > an on-loan (on same terms as the Backstop Facility), to allow HPI to refinance existing financial indebtedness outstanding by HPI in connection with its existing Bank Debt;
- > an on-loan (on same terms as the Backstop Facility) to allow HPI to refinance existing financial indebtedness outstanding by HPI in connection with the USPPs; and
- > (thereafter) general corporate expenses of the CH Investment Trust and HPI.

The Backstop Facility will have a facility limit of \$550 million. If the Backstop Facility is not utilised within 6 months following the date of the commitment letter (unless otherwise agreed), the funds will no longer be available.

The Backstop Facility will be substantially consistent with the terms of existing facility agreements between entities related to the Bidder and ANZ.

#### a. Conditions precedent to availability

The availability of funds will be subject to a number of conditions precedent which the Bidder considers customary and usual for financing of this nature, including:

- > duly executed facility agreement, related finance documents and ancillary documentation;
- > procedural and mechanical conditions precedent (such as verification certificates from the Bidder, legal sign-off from ANZ's legal advisers, funds flow statement, corporate authorisations and required "know your client" deliverables);
- > providing ANZ with copies of all material documents in respect of the Bidder;
- > evidence that the Bidder has or will acquire at least 50.1% of all HPI Securities;
- > evidence of compliance with all:
  - > major warranties and representations (such as status, power, documents binding and non-conflict with other obligations, solvency, information accurate, pari passu ranking, ranking, good title, and no immunity);
  - > major undertakings (such as authorisations, compliance with laws, negative pledge, change of business, dividends and share redemption, financial accommodation and indebtedness, and restrictions on acquisitions); and
  - > major events of default (such as failure to pay, breach of financial undertakings (including gearing ratio covenants and interest cover covenants), breach of major undertakings, misrepresentation, termination of transaction documents, insolvency, creditors' process, cessation of business, and judgement);
- > all material authorisations required to implement the acquisition; and
- > payment of all fees and expenses then due and payable in connection with the Backstop Facility at such time.

The Bidder has a reasonable basis to expect that the conditions precedent to drawdown will be satisfied once the Bidder acquires not less than 50.1% of the HPI Securities.

#### b. Undertakings, representations and warranties

The Backstop Facility will contain a number of undertakings, representations and warranties consistent with the terms of existing facility agreements between entities related to the Bidder and ANZ. The Bidder considers the undertakings, representations and warranties are customary and usual for financing of this nature.

#### c. Events of default

The Backstop Facility will be subject to certain events of default which the Bidder considers are customary and usual for a financing of this nature, including:

- > failure to pay;
- > insolvency, administration or enforcement against assets in respect of the Bidder or HPI (and its subsidiaries);
- > breach of any covenants or undertakings (subject to cure periods);
- > breach of any representations and warranties (subject to cure periods);
- > material adverse effect;
- > ownership of HPI (and its subsidiaries) by the Bidder;
- > cross default in respect of any financial indebtedness of the Bidder in excess of \$5 million; and
- > ceasing of business; and
- > such other events of default that the Bidder considers usual and customary for a facility of this type.

#### d. Review events

The Backstop Facility will contain the following review events which would entitle ANZ to review and renegotiate the terms of the Backstop Facility. If these negotiations are not successful within 30 days, it may result in the funds lent to the CH Investment Trust under the Backstop Facility being repayable within 60 days of ANZ requesting repayment. The Bidder considers the review events to be customary and usual for financing of this nature. The review events include:

- > the members of the CH Investment Trust cease to own the same proportion of the units in the CH Investment Trust as they own at the date of entry into the Backstop Facility; or
- > the member of the CH Investment Co Trust ceases to own 100% of the units in the CH Investment Co Trust; or
- > the Bidder has not entered (or procured the entry by HPI (and its subsidiaries)) into a secured mortgage facility with the lenders under the Backstop Facility on or prior to the date which is 6 months following the date that the Bidder has acquired not less than 50.1% of the HPI Securities. See section 7.6 for more information on the proposed terms of this facility (also referred to in this Bidder's Statement as the Forward-Looking Facility).

## 7.6 Forward Looking Facility

The Backstop Facility includes a requirement on the CH Investment Trust to use reasonable endeavors to procure that HPI (and its subsidiaries) enter into a secured mortgage facility with security to be granted by HPI (and its subsidiaries) ("**Forward-Looking Facility**"), within 6 months following the date that the Bidder acquires not less than 50.1% of the HPI Securities.

The terms of Forward-Looking Facility are proposed to be substantially similar to the Backstop Facility, subject to those set out in this section 7.6 and changes that may be required in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may change as new information becomes available or circumstances change, and the terms of this Forward-Looking Facility in this section should be read in this context.

The Forward-Looking Facility will be substantially consistent with the terms of existing facility agreements between entities related to the Bidder and ANZ.

### a. Conditions precedent to availability

The availability of funds will be subject to a number of conditions precedent which the Bidder considers is customary and usual for financing of this nature, including:

- > duly executed facility agreement, related finance documents and ancillary documentation;
- > ongoing due diligence, including providing ANZ with legal property due diligence report and environmental reports;
- > providing valuations of the real estate owned by HPI satisfactory to ANZ;
- > evidence that the existing Bank Debt is, or will concurrently on the occurrence of financial close under this Forward-Looking Facility, be repaid in full;
- > evidence that the USPP is either fully repaid or that those USPP noteholders have (to the extent required) consented to the Forward-Looking Facility and the related security;
- > evidence that HPI and its wholly owned subsidiaries have granted security in favour of the lenders to the Forward-Looking Facility;
- > providing copies of all material documents in respect of HPI (and its subsidiaries), including trust deeds, an updated organisational structure chart and any gaming licenses and entitlements;
- > evidence that the loan to value ratio does not exceed 60%;
- > all necessary corporate and regulatory approvals and consents having been obtained and remaining in full force and effect; and
- > any other conditions precedent required by ANZ or its legal advisers for a facility of this nature.

The above conditions precedent are indicative only and are subject to any changes required as a result of ongoing due diligence completed by the lenders at the relevant time.

### b. Undertakings, representations and warranties

The Forward-Looking Facility will contain a number of undertakings, representations and warranties (including in relation to the property owned by HPI) consistent with the terms of existing facility agreements between entities related to the Bidder and ANZ. The Bidder currently considers the undertakings, representations and warranties are customary and usual for financing of this nature.

### c. Events of default

The Forward-Looking Facility will be subject to certain events of default which the Bidder currently considers are customary and usual for a financing of this nature, including:

- > failure to pay;
- > insolvency, administration or enforcement against assets in respect of the Bidder or HPI (and its subsidiaries);
- > breach of any covenants or undertakings (subject to cure periods);
- > breach of any representations and warranties (subject to cure periods);
- > material adverse effect;
- > ownership of HPI (and its subsidiaries) by the Bidder;
- > cancellation, variations or transfers of liquor licenses and gaming entitlements other than as permitted by the lenders to the Forward-Looking Facility;
- > property;
- > cross default in respect of any financial indebtedness of the Bidder or HPI (and its subsidiaries) in excess of \$5 million;
- > ceasing of business; and
- > such other events of default that the Bidder considers usual and customary for a facility of this type.

**d. Review events**

The Forward-Looking Facility will contain the following additional review events which would entitle ANZ to review and renegotiate the terms of the Forward-Looking Facility. If these negotiations are not successful, it may result in the funds lent under the Forward-Looking Facility being repayable. The Bidder currently considers the review events to be customary and usual for financing of this nature. The review events include:

- > if there is a change in any licensing legislation in respect of the properties owned by HPI which would have, or would be likely to have, a material adverse effect; and
- > any licence, or gaming machine entitlement in relation to a property owned by HPI is made the subject of a security interest other than as permitted by the lenders to the Forward-Looking Facility.

**e. Financial Assistance and related party transactions**

- > The Bidder does not consider that shareholder approval under section 260B of the Corporations Act is required for the entry into the Forward-Looking Facility or the grant of any security interest by HPI (or its subsidiaries) in connection with the Backstop Facility or the Forward-Looking Facility. Ultimately, whether there is any financial assistance will need to be assessed by the HPI board at the time and if the view is taken that approval is required, HPI will need to obtain the approval of the holders of HPI Shares by way of special resolution (where the Bidder and its associates will not be entitled to vote) before the assistance is provided.
- > HPI will also need to consider whether any future granting of a security interest in favour of ANZ as contemplated in the Backstop Facility and Forward-Looking Facility, constitutes a related party transaction requiring HPI Securityholder approval under Listing Rule 10 or Chapter 2E of the Corporations Act. If such an approval is required, it would need to be approved by a simple majority resolution of HPI Securityholders where the Bidder and its associates would be excluded from voting.
- > If either or both of these shareholder approvals are required and cannot be obtained in accordance with the relevant provisions of the Corporations Act or Listing Rules, then this will trigger a review event under the Backstop Facility. The consequences of a review event are discussed at 7.5d above.

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# 8 Taxation considerations

## 8.1 Introduction

The following is intended only as a general guide of the principal Australian income tax, goods and services tax (**GST**) and stamp duty consequences generally applicable to HPI Securityholders who accept the Offer. The comments set out below are also relevant to those HPI Securityholders who do not accept the Offer if the Bidder proceeds to compulsorily Acquire their HPI Securities.

This outline is based upon the Australian law and administrative practice as at the date of this Bidder's Statement. This outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

The comments set out below are relevant only to those HPI Securityholders who hold their HPI Securities on capital account for tax purposes, and not HPI Securityholders who:

- > hold their HPI Securities as revenue assets or as trading stock;
- > acquired their HPI Securities pursuant to an employee share, option or rights plan;
- > are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their HPI Securities;
- > are non-residents of Australia who hold their HPI Securities in carrying on a business at or through a permanent establishment in Australia;
- > are financial institutions, insurance companies, partnerships, tax exempt organisations, sovereign entities, trusts, superannuation funds or entities subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their HPI Securities; or
- > are temporary residents or have changed their tax residence while holding HPI Securities.

Each HPI Security comprises of:

- > A fully paid unit in Hotel Property Investments Trust (ARSN 166 484 377) (i.e., HPI Trust); and
- > A fully paid ordinary share in Hotel Property Investments Limited (ABN 25 010 330 515) (i.e., HPI Company).

An HPI Securityholder who disposes of their HPI Security will need to separately calculate the gain/loss on disposal of their units in HPI Trust and shares in HPI Company. That is, in calculating the gain/loss on disposal of the HPI Securities, each HPI Securityholder will need to apportion the proceeds received under the Offer between the units and shares.

HPI Securityholders who are tax residents of a country other than Australia (whether or not they are also Australian tax residents or are temporary tax residents of Australia) should take into account the tax consequences under the laws of their country of tax residence, as well as under Australian tax law, and any applicable tax treaty between Australia and that country, of acceptance of the Offer.

This outline does not constitute tax advice. It does not take account of the individual circumstances of a particular HPI Securityholder. It does not purport to be a complete analysis of the potential tax consequences of the Offer and is intended as a general guide only of the Australian income tax, GST and stamp duty implications. HPI Securityholders should consult their own tax advisor regarding the tax consequences of the Offer in light of current tax laws and their particular circumstances.

## 8.2 Australian resident securityholders

Where the HPI Security is held on capital account (e.g. as a passive investment with a view to generating income) the disposal of the HPI Security will generally have Australian capital gains tax (**CGT**) consequences. The disposal of such HPI Securities pursuant to the acceptance of the Offer or compulsory acquisition of HPI Securities will constitute CGT events for CGT purposes.

The time of the CGT event is, generally, when a binding contract to sell the HPI Securities is entered into.

The CGT implications of a disposal of the HPI Securities will depend on various factors, including:

- > the date the HPI Securities were acquired for CGT purposes;



- > the nature of the taxpayer (i.e. individual, trust, company etc);
- > the length of time a HPI Securityholder has held their HPI Securities; and
- > the cost base (or reduced cost base) of the HPI Securityholder's units in HPI Trust and shares in HPI Company, taking into account any tax deferred distributions received in respect of the units in HPI Trust.

HPI Securityholders will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal of their HPI Securities.

Broadly, individuals, trusts and complying superannuation funds may be entitled to the CGT discount where the Offer exceeds the cost base of the HPI Securities (i.e. there is a capital gain) and the HPI Securities have been held for at least 12 months at the time of the CGT event. For individuals and trusts, the discount percentage applicable to the net capital gain (i.e. the capital gain after the application of any capital losses, if any) is 50% and for complying superannuation funds the discount percentage is 33.33%.

If HPI Securityholders have held their HPI Securities for less than 12 months prior to the date of the CGT event or are a company, the HPI Securityholders will not be eligible to apply the CGT discount. Any capital gain arising from the disposal of their HPI Securities as a result of their acceptance of the Offer will be assessable in full where they do not have capital losses available to offset against the capital gain.

If the Offer is less than a HPI Securityholder's reduced cost base in the HPI Securities, the HPI Securityholder will generate a capital loss which may be available to utilize against other current year capital gains or be carried forward to future income years.

### 8.3 Non-resident securityholders

For an HPI Securityholder who:

- > is not, and has not been, a resident of Australia for Australian tax purposes;
- > holds their HPI Securities on capital account; and
- > does not hold their HPI Securities in carrying on a business at or through a permanent establishment in Australia,

the HPI Securityholder is not subject to CGT in Australia on the disposal of their HPI Securities unless the units in HPI Trust or shares in HPI Company constitute "indirect Australian real property interests" by satisfying both of the following:

- > the HPI Securityholder (together with their associates) owned at least 10% of the HPI Securities either at the time they are disposed of as a result of the acceptance of the Offer or for any 12 month period during the 24 months before the HPI Securityholder disposed of their HPI Securities (in which case, the HPI Securityholders' interest would be a 'Non-portfolio interest'); and
- > at the time of disposal of the HPI Securities, "taxable Australian real property" assets (which includes real property and mining, quarrying or prospecting rights if the minerals, petroleum or quarry materials are located in Australia) comprise more than 50% of the market value of the assets owned directly or indirectly by the HPI Trust or HPI Company (as relevant).

HPI Securityholders who are non-residents of Australia for tax purposes should seek independent advice as to the tax implications of acceptance of the Offer, including the potential application of any of the above items and whether any relief is available under a relevant double tax treaty.

### 8.4 Foreign resident CGT withholding obligations

Australia's foreign resident CGT withholding tax regime applies to transactions involving the acquisition of certain indirect interests in Australian real property from relevant foreign residents.

A 'relevant foreign resident' for these purposes is any HPI Securityholder who:

- a. the Bidder knows or reasonably believes their HPI Securities to constitute "indirect Australian real property interests" (see Section 8.3); and
- b. the Bidder:
  - i. knows is a foreign resident for Australian tax purposes; or

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- ii. reasonably believes is a foreign resident for Australian tax purposes;
- iii. does not reasonably believe is an Australian resident, and either has an address outside Australia or the Bidder is authorised to provide a financial benefit relating to the transaction to a place outside Australia; or
- iv. is aware that the HPI Securityholder has a connection outside Australia of a kind specified in the tax regulations.

The relevant withholding tax rate is 12.5% of the Offer Price

Where the Bidder is required to withhold under these provisions:

- > the amount withheld from the Offer Price is remitted to the ATO;
- > the HPI Securityholder will only receive the net proceeds and will be taken to receive the full Offer Price for the purposes of this Offer such that the Bidder will be discharged of any liability to pay that amount of the Offer Price to the HPI Securityholder.

Based on the information as at the date of the Bidder's Statement, the Bidder does not anticipate having to withhold any amount under these provisions. However, the Bidder may seek a declaration as to Australian tax residency or that the HPI Securities are not an "indirect Australian real property interest" from certain HPI Securityholders to ensure that an amount is not required to be withheld and remitted to the ATO.

HPI Securityholders who have an amount withheld should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return.

## 8.5 Stamp duty

If you accept the Offer or Your HPI Securities are compulsorily acquired, you will not be required to pay any stamp duty on the disposal of Your HPI Securities under the Offer.

## 8.6 GST

Holders of HPI Securities should not be liable to pay any GST in respect of a disposal of those HPI Securities.

The disposal and acquisition of units and shares are 'financial supplies' for GST purposes. If HPI Securityholders who are registered for GST incur any costs which include GST (such as advisor fees) relating to their participation in the Offer, they may only be entitled to input tax credits for such costs in certain circumstances and should seek specific advice.

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# 9 Material agreements

## 9.1 Overview

This Section 9 sets out a summary of three material arrangements the Bidder and the unitholders of the CH Investment Trusts have entered into in relation to the Offer and the CH Investment Trusts, being:

- > Bid Conduct Agreement;
- > Co-ownership agreement term sheet; and
- > Securities Sale and Purchase Agreement.

## 9.2 Bid Conduct Agreement

### a. General

Hostplus (and its wholly owned sub-trust, the HP HPI Trust, which holds 50% of the units in CH Investment Trust), CQR (and its wholly-owned sub-trust which holds 50% of the units in CH Investment Trust), Charter Hall Holdings (which holds 100% of the units in CH Investment Co Trust) the Bidder and a member of the Charter Hall Group have entered into a bid conduct agreement prior to the date of this Bidder's Statement, which sets out arrangements in relation to the conduct of the takeover bid for HPI (**Bid Conduct Agreement**).

A copy of the Bid Conduct Agreement will be annexed to the Bidder's substantial holder notice to be lodged with the ASX on the first trading day after the date of this Bidder's Statement.

### b. Funding and conduct of offer

Under the Bid Conduct Agreement, the relevant CQR and Hostplus unitholders are required to contribute additional capital to the CH Investment Trust to fund the Bidder's obligation to acquire HPI Securities under the Offer, to fund the compulsory acquisition of HPI Securities and to fund transaction costs connected with the Offer. CQR and Hostplus are responsible for 100% of these costs (in the percentage proportions described in section 7.3). CQR and Hostplus have each guaranteed the performance of their unitholders funding obligations.

### c. Decision making

The Bidder must not do any of the following without the approval of Hostplus and CQR:

- > free the Offer from any Condition or waive any Condition;
- > vary the terms of the Offer or any Condition;
- > withdraw the Offer;
- > consent to any variation of, or exercise or waive any right of the Bidder under, any contract relating to the Offer (including for the avoidance of doubt, any bid implementation agreement) between the Bidder and HPI;
- > extend the Offer Period;
- > acquire any HPI Securities other than pursuant to the Offer; or
- > release any announcement in relation to the Offer other than the Bidder's Statement, other than procedural announcements relating to notifications required under the Corporations Act in connection with the Offer or an announcement in relation to the Offer required by law or the ASX Listing Rules.

### d. Standstill

Each party must not acquire, dispose or otherwise deal in HPI Securities or acquire a Relevant Interest in HPI Securities other than pursuant to the Offer or with CQR and Hostplus consent for the duration of the Bid Conduct Agreement. The standstill does not apply to any disposal of HPI Securities by or on behalf of Hostplus pursuant to any disposal by a platform or investment fund which is instructed or directed by a third party, such as a disposal undertaken by members of the Hostplus Superannuation Fund via the Choiceplus investment product.

### e. Co-owners agreement

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Hostplus (and its wholly owned sub-trust, the HP HPI Trust, which holds 50% of the units in CH Investment Trust), CQR (and its wholly-owned sub-trust which holds 50% of the units in CH Investment Trust) and the Bidder are under an obligation to negotiate and enter into a co-ownership agreement in relation to the control, management and funding of the CH Investment Trust based on a co-ownership term sheet. Details of the agreed co-ownership terms are set out in section 9.3 below.

#### f. Termination

The Bid Conduct Agreement will terminate automatically at such time as the Bidder has acquired all of the HPI Securities, the Bidder ceases to hold any HPI Securities or after a 1 month and four business day period after the end of the Offer Period.

### 9.3 Co-ownership agreement term sheet

#### a. General

As noted in section 9.2 above, Hostplus via its wholly owned sub-trust, the HP HPI Trust, which holds 50% of the units in CH Investment Trust, CQR via its wholly-owned sub-trust which holds 50% of the units in CH Investment Trust (Hostplus and CQR each being a **CH Investment Trust Holder**) and the Bidder are under an obligation to enter into a co-ownership agreement in relation to the control, management and funding of the CH Investment Trust based on the terms set out in this section 9.3.

#### b. Investment Committee

The CH Investment Trust Holders will establish an investment committee to consider and make recommendations to the CH Investment Trustee and its subsidiaries, excluding HPI Trust as long as CH Investment Trust owns less than 100% of the units in HPI Trust (**Investment Committee**).

1. **Appointment Rights:** Each CH Investment Trust Holder that owns at least 20% of the total units in the CH Investment Trust to be able to appoint one member and one alternate to the Investment Committee.
2. **Decision making:** All resolutions made by the Investment Committee to be unanimous.
3. **IC Matters:** CH Investment Trust must follow the directions of the Investment Committee and cannot engage in certain key matters without the unanimous consent of the Investment Committee. These key matters to include:
  1. **Investment and asset management:** Approval of the investment strategy, acquisition, development, and divestment of assets, as well as the appointment and removal of property managers and asset managers.
  2. **Operational:** Approval of service agreements, leasing strategies, insurance policies, and third-party service providers.
  3. **Financial:** Approval of the annual business plan and budget, decisions on distributions, major financing, unbudgeted liabilities, and financial instruments and key strategic decisions that impact the CH Investment Trust's long-term goals.
  4. **Capital transactions:** Approval of the creation, issuance, and transfer of units, as well as capital calls and security interests.
  5. **Governance and compliance:** Appointing auditors, accountants, and tax agents, as well as approving mergers, consolidations, and amalgamations.

#### c. Investment Strategy

CH Investment Trust's investment strategy is to be the acquisition of all units in the HPI Trust. In addition:

1. **Less than 100% Ownership:** If CH Investment Trust holds less than 100% of the units in the HPI Trust, the strategy is for CH Investment Trust to use reasonable endeavours to ensure that HPI and its subsidiaries deliver a resilient income stream from a portfolio of retail liquor distribution assets in Australia, primarily consisting of hotels and retail liquor outlets.
2. **100% Ownership:** If CH Investment Trust holds 100% of the units in the HPI Trust, the strategy is for CH Investment Trust to grow a portfolio of retail liquor distribution assets in Australia, primarily consisting of hotels and retail liquor outlets.

#### d. Transfers of Units

CH Investment Holders wishing to sell units in the CH Investment Trust must first offer them to the other CH Investment Trust Holder and, if not accepted in a reasonable time to be specified, the selling holder can offer them to a third party who accedes to the co-ownership agreement.

#### e. Liquidity mechanisms

CH Investment Trust Holders to have the right to initiate a procedure to liquidate their investment after the co-ownership agreement has been on foot for 9 years and 6 months, subject to the pre-emptive rights described above. Once this procedure has been validly initiated, the following steps will be taken:

1. **Valuation:** All assets of the CH Investment Trust to be valued and a CH Investment Trust unit valuation to be determined according to a to be agreed valuation methodology.
2. **Right to purchase:** The other CH Investment Trust Holder(s) to have the opportunity to purchase the initiating CH Investment Trust Holder's CH Investment Trust units based on the determined valuation.
3. **Asset sale to fund redemption:** If the other CH Investment Trust Holder does not purchase the initiating CH Investment Trust Holder's units in the CH Investment Trust, the CH Investment Trust must sell sufficient assets to fund a redemption of the initiating CH Investment Trust Holder's units at a price based on updated asset values.

Additionally, if the Offer is withdrawn or not all Conditions are fulfilled or waived within 4 Business Days after the end of the Offer Period, CH Investment Trust Holders will have the right to require the trustee of the CH Investment Trust and the CH Investment Co Trust to sell that CH Investment Trust Holder's proportion of the CH Investment Trust's and CH Investment Co Trust's HPI Securities as directed by the CH Investment Trust Holder. The CH Investment Trust must then use the net sales proceeds to redeem the relevant CH Investment Trust Holder's units in the CH Investment Trust.

#### f. Distribution policy

Monthly distributions of operating earnings of the CH Investment Trust and the distribution of net proceeds from asset disposals following repayment of debt in accordance with debt facility arrangements, in each case based on recommendations from the asset manager. Where the CH Investment Trust holds less than 100% of the units in HPI Trust, then the distribution policy of HPI will be determined by HPI.

#### g. HPI Company assets

If the HPI Shares and HPI Units are de-stapled then the parties will use reasonable endeavours to realise the assets of the HPI Company and its subsidiaries for cash and the proceeds will be used to pay all expenses, taxes and other liabilities of the HPI Company and its subsidiaries (**Outstanding Expenses**). To the extent there are surplus proceeds, such proceeds will be paid to the trustee of the CH Investment Trust. To the extent there remains Outstanding Expenses, then the trustee of the CH Investment Trust must pay such amounts to HPI Company to allow it to settle such Outstanding Expenses.

#### h. Default

Events of default include material breaches, insolvency events, or defaults under security interests. Non-defaulting CH Investment Trust Holders have rights to acquire or force the sale of defaulting CH Investment Trust Holder's units in CH Investment Trust (either to them or to a third party at a price based on the most recent valuation of all assets of the CH Investment Trust).

## 9.4 Securities Sale and Purchase Agreement

### a. General

Prior to the date of this Bidder's Statement, the Bidder, Charter Hall Wholesale Management Limited as trustee of the CH First Investment Trust (being the trust formerly called CH Investment Trust and which is referred to as Previous CH HPI Securityholder in this Bidder's Statement), CQR and Charter Hall Holdings entered into an agreement pursuant to which the Previous CP HPI Securityholder sold 28,931,861 HPI Securities to the Bidder for \$3.55 per HPI Security, and which includes a put and call option in relation to those HPI Securities (**Securities Sale and Purchase Agreement**).

A copy of the Securities Sale and Purchase Agreement will be annexed to the Bidder's substantial holder notice to be lodged with the ASX on the first trading day after the date of this Bidder's Statement.

**b. Put and Call Option**

The Bidder has granted Previous CH HPI Securityholder a call option and Previous CH HPI Securityholder has granted Bidder a put option, over the 28,931,861 HPI Securities that the Bidder acquired from Previous CH HPI Securityholder under the Securities Sale and Purchase Agreement. These options can only be exercised during a 1 month period commencing on the earlier of the fourth business day after the:

1. date on which the Offer is withdrawn; and
2. end of the Offer Period if not all of the Conditions have been fulfilled or waived by the last date they are capable of being fulfilled or waived.

The exercise price under both the call option and put option is \$3.55 per HPI Security.

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# 10 Other material information

## 10.1 Status of Conditions

The Offer is subject to the Conditions set out in Annexure A. The Bidder will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

As at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions.

## 10.2 Potential for waiver of Conditions

The Offer is subject to the Conditions set out in Annexure A. Under the terms of the Offer and the Corporations Act, any or all of those Conditions may be waived by the Bidder.

If an event occurs which results (or would result) in the non-fulfilment of a Condition, the Bidder might make a decision as to whether it will either rely on that occurrence, or instead waive the defeating Condition in respect of that occurrence, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act (see section 11.9).

If the Bidder decides that it will waive a Condition it will announce that decision to the ASX in accordance with section 650F of the Corporations Act.

If any of the Conditions are not fulfilled, and the Bidder decides to rely on that non fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant HPI Securities will be returned to the holder.

## 10.3 Date for determining holders of HPI Securities

For the purposes of section 633(2) of the Corporations Act, the time and date for determining the people to whom information is to be sent under item 6 and 12 of section 633(1) of the Corporations Act is the Record Date being 7.00pm (Sydney time) on 11 September 2024.

## 10.4 Consents

This Bidder's Statement contains references to, statements made by, and/or statements said to be based on statements made by the Bidder. The Bidder has given its written consent to the inclusion of:

- a. each reference to its name and each reference to the Bidder;
- b. each statement made by the Bidder; and
- c. each statement which is said to be based on a statement it or the Bidder has made,

in the form and context in which each reference or statement (as applicable) appears and has not withdrawn that consent as at the date of this Bidder's Statement.

CQR has given, and have not at the date of this Bidder's Statement withdrawn, its written consent to being named in this Bidder's Statement but has not caused or authorised the issue of this Bidder's Statement or have been in any way involved in making of the Offer. CQR:

- a. does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based, other than a reference to its name; and
- b. to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this document, other than a reference to its name.

Hostplus has given, and has not at the date of this Bidder's Statement withdrawn, its written consent to being named in this Bidder's Statement but has not caused or authorised the issue of this Bidder's Statement or have been in any way involved in making of the Offer. Hostplus:

- a. does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based, other than a reference to its name; and
- b. to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this document, other than a reference to its name.

Arnold Bloch Leibler (“**ABL**”) has acted as Australian legal advisor to the Bidder, Citigroup Global Markets Australia Pty Limited (“**Citi**”) and Barrenjoey Advisory Pty Limited (“**Barrenjoey Advisory**”) have acted as Australian financial advisor to the Bidder, Barrenjoey Markets is acting as broker for the Bidder in respect of any On Market Purchases, Link has acted as share registrar for the Bidder in relation to the Offer and Pacific Custodians is acting as Facility Operator in relation to the Offer. Each of ABL, Citi, Barrenjoey Advisory, Barrenjoey Markets, Link and Pacific Custodians has given its written consent to be named in this Bidder's Statement in the form and context in which it is named and has not withdrawn that consent as at the date of this Bidder's Statement. Neither ABL, Citi, Barrenjoey Advisory, Barrenjoey Markets, Link, nor Pacific Custodians has made or purported to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and should not be regarded as authorising the issue of this Bidder's Statement or any statements in it.

## 10.5 Institutional acceptance facility

### General

The Bidder has established an institutional acceptance facility (the “**Facility**”) in relation to the Offer. The Facility is only open to professional investors under the Corporations Act (“**Eligible Securityholders**”). The Bidder recognises that some of the Securityholders may be unable to accept the Offer, for example by reason of their investment mandates, until the Offer becomes or is declared unconditional. Accordingly, the Bidder has established the Facility to enable Eligible Securityholders to indicate their intention to accept the Offer.

Securityholders who are not Eligible Securityholders cannot participate in the Facility.

The acceptance facility collection agent for the Facility is Pacific Custodians Pty Limited (ACN 009 682 866) (“**Facility Operator**”).

Before making a decision whether or not to participate in the Facility, Eligible Securityholders are encouraged to consult with their financial or other professional adviser.

Eligible Securityholders who wish to participate in the Facility or who require further information may contact the Facility Operator by phone on +61 2 8280 7100 between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays) or by email at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

### Operation of the Facility

In summary, the Facility will operate in the following way:

- a. Eligible Securityholders may lodge acceptance instructions (“**Acceptance Instructions**”) with the Facility Operator, in the form of either:
  - i. if the Eligible Securityholder is the registered holder of its HPI Securities, a duly completed and executed Acceptance Form; or
  - ii. if the Eligible Securityholder's HPI Securities are held by a custodian (such as a nominee), a duly completed and executed directions to its custodian (“**Custodian Directions**”) to accept the Offer that demonstrates their intention to accept the Offer, together with a form Pacific Custodians Pty Limited as the Facility Operator.
- b. The Facility Operator will hold the Acceptance Instructions subject to a bare trust and will not acquire a Relevant Interest in any of the HPI Securities the subject of the Acceptance Instructions.
- c. The Facility Operator must deliver:
  - i. the Acceptance Forms to:
    - A. in the case of Issuer Sponsored Holding, to Link at [takeover@linkmarketservices.com.au](mailto:takeover@linkmarketservices.com.au); or
    - B. in the case of CHES Holdings, to the relevant Controlling Participant; and
  - ii. the Custodian Directions to the relevant custodian.
- d. If and when the Facility Operator receives written notice from the Bidder (“**Confirmation Notice**”) that:



- i. the Bidder has declared the Offer free from all Conditions that have not been fulfilled or waived;
- ii. the Bidder has declared the Offer free from all Conditions; or
- iii. the Bidder will declare the Offer free from all Conditions once all the delivered Acceptance Instructions are validly processed or implemented (as appropriate).

Eligible Securityholders are able to withdraw their Acceptance Instructions at any time prior to the Facility Operator receiving the Confirmation Notice from the Bidder.

A copy of the appointment of the Facility Operator will be provided to certain Eligible Securityholders and may also be requested from the Facility Operator by phone on +61 2 8280 7100 between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays), or by email to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

### Disclosure of Acceptance Instructions

Before 9:00am (Sydney, Australia time) on each Business Day, the Facility Operator will inform the Bidder of the number of HPI Securities in respect of which Acceptance Instructions have been received as at 7:30pm (Sydney, Australia time) on the previous Business Day.

Following the receipt of this information from the Facility Operator, the Bidder will disclose this information to the ASX by 9:30am (Sydney, Australia time) on the Business Day following any movement of at least 1% in the aggregate of the percentage of HPI Securities subject to the Facility and the percentage of HPI Securities in which the Bidder and its Associates has a Relevant Interest, together with a breakdown of the aggregate amount between these two categories.

## 10.6 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

## 10.7 The Bidder's interests in HPI Securities

As at the date of the Original Bidder's Statement:

- > the Bidder's Relevant Interest in HPI was 18.56% (equivalent to 36,479,622 HPI Securities); and
- > the Bidder's Voting Power in HPI was 18.56% (equivalent to 36,479,622 HPI Securities).

As at the date immediately before the first Offer is sent, the Bidder's Relevant Interest and Voting Power in HPI was 18.20%.

Of the HPI Securities in respect of which the Bidder has a Relevant Interest, the Bidder only controls the voting and disposal of the 28.93m HPI Securities (approximately 14.72%) that it holds directly (subject to limited rights to control the disposal of HPI Securities contemplated in the standstill summarised in section 9.2(d)).

The remaining 6.84m HPI Securities (approximately 3.48%) in respect of which the Bidder has a Relevant Interest at the date immediately before the first Offer is sent, are held by the relevant entities listed in the table below in a trustee or custodial capacity (with the exception of the 1 HPI Security held by Charter Hall Holdings Pty Ltd and the 1 HPI Security held by Charter Hall Limited). The relevant trustee or custodian is under an obligation to deal with those HPI Securities in the best interests of the relevant beneficiaries of that trust or arrangement. These HPI Securities may be subject to a direction or instruction issued by a party other than the Bidder to either dispose of those HPI Securities, accept an alternative offer or exercise voting rights as directed.

The entities entitled to be registered as the holder of the HPI Securities in which the Bidder has a Relevant Interest at the date immediately before the first Offer is sent are shown in the table below.

HPI Securityholder	Number of HPI Securities (millions)	% of HPI Securities (undiluted basis)
The Bidder	28.93	14.72%
Charter Hall Wholesale Management Limited (ACN 006 765)	3.50	1.78%

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HPI Securityholder	Number of HPI Securities (millions)	% of HPI Securities (undiluted basis)
206) as trustee of Charter Hall DV AREIT Partnership (DVAP)		
Charter Hall Wholesale Management Limited (ACN 006 765 206) as trustee of Charter Hall DV AREIT Partnership No. 3 (DVAP3)	0.35	0.18%
One Managed Investment Funds Limited (ABN 47 117 400 987) as responsible entity of Charter Hall Maxim Property Securities Fund (Maxim)	1.47	0.75%
Charter Hall Holdings Pty Ltd (ABN 15 051 363 547)	0.00	0.00%
Charter Hall Limited (ABN 57 113 531 150)	0.00	0.00%
Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund	1.09	0.55%
Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Host-Plus PST	0.43	0.22%
<b>Total</b>	<b>35.77</b>	<b>18.20%</b>

## 10.8 Dealings in HPI Securities and collateral benefits

Except as set out below, neither the Bidder nor any of its Associates has provided, or agreed to provide, consideration for HPI Securities during the four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer.

Date	No. of HPI Securities	Description of dealing <sup>24</sup>
27 June 2024	10000	Acquisition by Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund at a price of \$3.25 per HPI Security.
15 July 2024	883	Acquisition by Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund at a price of \$3.42 per HPI Security.
21 August 2024	462	Acquisition by Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund at a price of \$3.29 per HPI Security.
6 September 2024	21,862	Issuance by HPI to Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund pursuant to a dividend and distribution plan with a reported issue price of \$3.2324 per HPI Security.
8 September 2024	1	Acquisition by Charter Hall Holdings, and disposal by Previous CH HPI Securityholder, pursuant to an off-market transfer at a price of \$3.55 per HPI Security.
8 September 2024	1	Acquisition by Charter Hall Limited, and disposal by Previous CH HPI Securityholder, pursuant to an off-market transfer at a price of \$3.55 per HPI Security.
8 September 2024	28,931,861	Acquisition by the Bidder, and disposal by Previous CH HPI Securityholder, pursuant to the Securities Sale and Purchase Agreement at a price of \$3.55 per HPI Security.

<sup>24</sup> All trades in the table made by Citicorp Nominees Pty Limited as custodian for Host-Plus Pty Limited as trustee for the Hostplus Superannuation Fund have been undertaken by Hostplus' members in the Choiceplus investment option in which the relevant member has executed the relevant trade.

During the period of four months before the date of this Bidder's Statement or in the period between the date of this Bidder's Statement and the date of the Offer, neither the Bidder nor any Associate of the Bidder gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- > accept the Offer; or
- > dispose of HPI Securities,

and which is not offered to all holders of HPI Securities under the Offer.

## 10.9 No escalation agreements

Neither the Bidder nor any of its Associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## 10.10 ASIC modifications and exemptions

ASIC has enacted various legislative instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder, in relation to the operation of Chapter 6 of the Corporations Act.

Among others, the Bidder has relied on:

- a. the modification to section 636(3) of the Corporations Act set out in ASIC Corporations (Takeovers Bids) Instrument 2023/683 to include in this Bidder's Statement, without obtaining specific consents, statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) during the Offer Period, please contact the Offer Information Line on 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays);
- b. relief granted by ASIC to the Bidder under section 655A of the Corporations Act as modified by Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688, to permit the Bidder to dispatch a replacement bidder's statement to HPI Securityholders in which the Offer terms are varied as set out in this second replacement Bidder's Statement; and
- c. ASIC Corporations (Consents to Statements) Instrument 2016/72 which permits bidder's statements to include or be accompanied by certain statements and financial data from a services provider or statements that fairly represent what purports to be a statement by an official person, from a public official document or a published book, journal or comparable publication. This Bidder's Statement contains financial data from:
  - i. Bloomberg L.P.
  - ii. IRESSwithout their consent.

## 10.11 ASIC Market Integrity Rule 5.13.1 Disclosure

Subject to the Corporations Act, the Bidder reserves its right to acquire HPI Securities on market during normal trading hours on the ASX during the Bid Period (as defined in the ASIC Market Integrity Rules) at prices equal to, or below, the Offer Price (**On Market Purchases**). In accordance with rule 5.13.1 and 5.14.1 of the ASIC Market Integrity Rules, the Bidder has appointed Barrenjoey Markets Pty Limited (ABN 66 636 976 059) (AFSL 521800) (**Barrenjoey Markets**) as broker in respect of any such On Market Purchases. Barrenjoey Markets is unable to give sellers advice in respect of the proposed purchases of HPI Securities.

Any On Market Purchases will be disclosed to the ASX in substantial holder notices which the Bidder is required to lodge under the Corporations Act. HPI Securityholders who sell their HPI Securities on the ASX will receive payment on a T+2 basis (being two Business Days after the date of the relevant transaction). HPI Securityholders who sell HPI Securities on the ASX cannot subsequently accept the Offer in respect of their HPI Securities sold on the ASX. In addition, HPI Securityholders who sell HPI Securities on the ASX may incur brokerage charges and GST on brokerage charges which they may not incur if they accept the Offer.

## 10.12 Withholding of consideration

Except as outlined in section 8.4, the Bidder is not currently aware of any other amounts that are or would be treated as withholding amounts under section 11.7. However, it is possible that the Bidder may become aware of an obligation in this regard after the date of this Bidder's Statement.

For example, under section 255 of the Income Tax Assessment Act 1936 (Cth), the Australian Taxation Office may notify the Bidder that all or part of the consideration otherwise payable under the Offer to HPI Securityholders who are non-residents of Australia is to be retained by the Bidder, or paid to the Australian Taxation Office, instead of being paid to the relevant HPI Securityholders to the extent that Australian tax is due and payable by the non-resident. The amount that can be withheld should be equal to the amount of tax due and payable by the non-resident.

Similarly, under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 (Cth), the Australian Taxation Office may require the Bidder to pay to the Australian Taxation Office all or part of the consideration otherwise payable under the Offer to HPI Securityholders who owe tax-related debts to the Australian Government to the extent that the relevant HPI Securityholder owes tax-related debts to the Australian Government.

## 10.13 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- a. material to the making of a decision by an HPI Securityholder whether or not to accept the Offer;
- b. known to the Bidder; and
- c. which has not previously been disclosed to HPI Securityholders.

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# 11 Terms of the Offer

## 11.1 Offer

- a.** The Bidder (either through the Bidder, or its nominee, delegate and/or custodian) is offering to Acquire all of Your HPI Securities on and subject to the terms set out in this section 11.
- b.** Subject to section 11.6c, by accepting the Offer, you undertake to transfer to the Bidder (or to the Bidder's nominee, delegate and/or custodian) not only the HPI Securities to which the Offer relates, but also all Rights attached to those HPI Securities.
- c.** The Offer is being made to:
- i.** each person registered as the holder of HPI Securities in the HPI Register at the Record Date; and
  - ii.** each person who, during the period from the Record Date to the end of the Offer Period, becomes registered or entitled to be registered as the holder of HPI Securities (whether or not they are registered or entitled to be registered as the holder of other HPI Securities) due to the conversion of, or exercise of rights attached to, other securities convertible into HPI Securities or which confer the right to be issued HPI Securities that are on issue at the Record Date.
- d.** If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your HPI Securities:
- i.** a corresponding offer on the same terms as this Offer is taken to have been made to that other person in respect of those HPI Securities;
  - ii.** a corresponding offer on the same terms as this Offer is taken to have been made to you in respect of any other HPI Securities you hold to which the Offer relates; and
  - iii.** this Offer is taken to have been withdrawn immediately at that time in relation to the HPI Securities you have ceased to hold.
- e.** If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of HPI Securities as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1800 178 658 (within Australia) or +61 1800 178 658 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday (excluding public holidays) to request those additional copies.
- f.** If Your HPI Securities are registered in the name of a broker, investment advisor or dealer, bank, trust company or other nominee, you should contact them for assistance in accepting the Offer.
- g.** Offers on terms and conditions identical to those contained in this Offer have been despatched or will be despatched to all holders of HPI Securities registered as such in the HPI Register on the Record Date.
- h.** The Offer is dated 25 September 2024.

## 11.2 Offer Consideration

- a.** Consideration offered
- i.** Subject to this section 11, the consideration under the Offer is \$3.65 for every one of Your HPI Securities.
  - ii.** If the Bidder improves the consideration offered under the Offer, the Corporations Act contains provisions to ensure that any HPI Securityholder who has already accepted the Offer receives the benefit of the improved consideration.
  - iii.** The cash consideration payable under the Offer will be reduced by the amount or value of any Rights to which you or a previous holder of Your HPI Securities become entitled to receive on and from the Announcement Date, which the Bidder does not receive in respect of Your HPI Securities.

### 11.3 Offer Period

- a. Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
  - i. 4 November 2024; or
  - ii. any date to which the Offer Period is extended in accordance with the Corporations Act.
- b. the Bidder may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.
- c. If, within the last seven days of the Offer Period, either of the following events occurs:
  - i. the Offer is varied to improve the Offer Consideration; or
  - ii. the Bidder's Voting Power in HPI increases to more than 50%,

then the Offer Period will automatically be extended so that it ends 14 days after the relevant event referred to in paragraph (i) or (ii) in accordance with section 624(2) of the Corporations Act.

### 11.4 How to accept the Offer

#### a. General

- i. Subject to sections 11.1d and 11.1e, you may accept this Offer only for all of Your HPI Securities.
- ii. You may accept this Offer at any time during the Offer Period.
- iii. The Bidder has established the Facility to facilitate the acceptance of offers under the Offer by specified institutional HPI Securityholders. Only Eligible Securityholders are eligible to participate in the Facility. See section 10.5 of this Bidder's Statement for details of the Facility.

#### b. HPI Securities held in your name on HPI's issuer sponsored subregister

To accept this Offer for HPI Securities held in your name on HPI's issuer sponsored subregister (in which case your Security Holder Reference Number will commence with "I"), you must:

- i. accepts the Offer online, by logging into the Offer Website (<https://events.miraqle.com/ch-offer/>), following the instructions, selecting the "Accept" option and submitting your acceptance before the end of the Offer Period; or
- ii. complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- iii. ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned using the accompanying reply paid envelope or by email to the addresses shown on the Acceptance Form.

#### c. HPI Securities held in your name in a CHESS Holding

- i. If Your HPI Securities are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with "X") and you are not a Participant, you should instruct your broker or "Controlling Participant" (this is normally the stockbroker through whom you bought Your HPI Securities or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- ii. If Your HPI Securities are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with "X") and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- iii. Alternatively, to accept this Offer for HPI Securities held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you may:

- A. accept the Offer online, by logging into the Offer Website (<https://events.miraqle.com/ch-offer/>), following the instructions, selecting the “Accept” option and submitting your acceptance before the end of the Offer Period; or
  - B. sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned using the accompanying reply paid envelope or by email to the addresses shown on the Acceptance Form before the end of the Offer Period with sufficient time for your acceptance to be processed.
- iv. If Your HPI Securities are held in your name in a CHES Holding (in which case your Holder Identification Number will commence with “X”), you must comply with any other applicable ASX Settlement Operating Rules.
  - v. The Bidder will not be responsible if your Controlling Participant does not acknowledge and confirm your acceptance in sufficient time.
  - vi. In addition, Eligible Institutional Securityholders may also accept the Offer by providing Acceptance Instructions into the Facility. See section 10.5 of this Bidder’s Statement for details.
- d. HPI Securities of which you are entitled to be registered as holder

To accept this Offer for HPI Securities which are not held in your name, but of which you are entitled to be registered as holder, you must:

- i. accept the Offer online, by logging into the Offer Website (<https://events.miraqle.com/ch-offer/>) following the instructions, selecting the “Accept” option and submitting your acceptance before the end of the Offer Period; or
- ii. complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- iii. ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned using the accompanying reply paid envelope or by email to the addresses shown on the Acceptance Form.

e. Acceptance Form and other documents

- i. The Acceptance Form forms part of the Offer.
- ii. If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by the Bidder at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- iii. When using the Offer Website or Acceptance Form to accept this Offer in respect of HPI Securities in a CHES Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by the Bidder in time for the Bidder to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- iv. The postage and transmission of the Acceptance Form and other documents are at your own risk. No acknowledgements of receipt of any such documents will be given to you by or on behalf of the Bidder.

f. **Addresses**

The mailing and email addresses for completed Acceptance Forms and any associated documents are as follows:

**By mail:** Link Market Services, Hotel Property Investments Limited Takeover Locked Bag A14, SYDNEY SOUTH, NSW 1235

**By email:** [takeover@linkmarketservices.com.au](mailto:takeover@linkmarketservices.com.au)

## 11.5 Validity of acceptances

- a. Subject to this section 11.5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 11.4.
- b. the Bidder will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. The Bidder is not required to communicate with you prior to making this determination. The determination of the Bidder will be final and binding on all parties.
- c. Notwithstanding section 11.5, the Bidder may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your HPI Securities, even if a requirement for acceptance has not been complied with, but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by the Bidder.
- d. Where you have satisfied the requirements for acceptance in respect of only some of Your HPI Securities, the Bidder may, in its sole discretion, regard the Offer to be accepted in respect of those of Your HPI Securities but not the remainder.
- e. the Bidder will provide the consideration to you in accordance with section 11.7, in respect of any part of an acceptance determined by the Bidder to be valid.

## 11.6 The effect of acceptance

- a. Once you have accepted this Offer, you will be unable to revoke your acceptance other than as set out in section 11.6a.ii below. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your HPI Securities from the Offer or otherwise dispose of Your HPI Securities, except as follows:
  - i. if, by the end of the relevant time specified in section 11.6b, the Conditions have not been satisfied or waived<sup>25</sup>, this Offer will automatically terminate and Your HPI Securities will be returned to you; or
  - ii. if the Offer Period is varied in a way that postpones for more than 1 month the time when the Bidder has to meet its obligations under the Offer and, at the time, this Offer is subject to the Conditions, you may be able to withdraw your acceptance and Your HPI Securities in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- b. The relevant times for the purposes of section 11.6a.i are:
  - i. in relation to the HPI Prescribed Occurrence Condition, 3 Business Days after the end of the Offer Period; and
  - ii. in relation to all other Conditions, the end of the Offer Period.
- c. By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 11.6, you will be taken to have:
  - i. subject to sections 11.6a and 11.6b irrevocably accepted this Offer (and any variation of it) in respect of Your HPI Securities, and, subject to the Conditions to this Offer being fulfilled or freed, agreed to transfer Your HPI Securities to the Bidder (or to the Bidder's nominee, delegate and/or custodian), even if the number of HPI Securities specified on the Acceptance Form differs from the number of Your HPI Securities, subject to sections 11.1d and 11.1e;
  - ii. represented and warranted to the Bidder, as a fundamental condition of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your HPI Securities (including any Rights) to the Bidder (or to the Bidder's nominee, delegate and/or custodian) is registered, that all Your HPI Securities are fully paid, and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your HPI Securities (including any Rights) to the Bidder (or to the Bidder's nominee, delegate or custodian), that you have paid to HPI all amounts which have fallen due for payment to HPI in respect of Your HPI Securities and that the Bidder will acquire good title to and beneficial ownership of Your HPI Securities free from all encumbrances;
  - iii. irrevocably authorised the Bidder (and any director, secretary or nominee of the Bidder) to alter the Acceptance Form on your behalf by inserting correct details of Your HPI Securities, filling in any blanks

<sup>25</sup> See Annexure A.



remaining on the form and rectifying any errors or omissions as may be considered necessary by the Bidder to make it an effective acceptance of this Offer, or to enable registration of Your HPI Securities in the name of the Bidder, and agreed to provide any document reasonably required to make your Acceptance Form a valid acceptance of the Offer or otherwise give effect to your acceptance;

- iv. if you signed the Acceptance Form in respect of HPI Securities which are held in a CHES Holding, irrevocably authorised the Bidder (or any director, secretary or agent of the Bidder):
  - A. to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your HPI Securities in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and
  - B. to give any other instructions in relation to Your HPI Securities to your Controlling Participant, as determined by the Bidder acting in its own interests as a beneficial owner and intended registered holder of those HPI Securities;

and acknowledge that:

- C. with respect to section 11.6c.iv.A, the Bidder (or its agents or nominees) will merely forward your Acceptance Form to your Controlling Participant (being the only person who can accept this Offer on your behalf) and that it is your responsibility to allow sufficient time for your Controlling Participant to initiate acceptance of this Offer;
- D. the Bidder (or its agents or nominees) is not responsible for any delays incurred by the process described in section 11.6c.iv.B or any losses whatsoever you incur by the fact that your acceptance is not processed before the end of the Offer Period; and
- E. you must promptly give any further instructions or take any further actions necessary concerning Your HPI Securities to your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules prior to the end of the Offer Period;
- v. notwithstanding sections 11.6c.c.i and 11.6c.iv.A, the Bidder may (except in relation to HPI Securities in a CHES Holding) treat the receipt by it of a signed Acceptance Form either:
  - A. before the end of the Offer Period; or
  - B. after the end of the Offer Period but where the Acceptance Form is sent by post and the envelope in which it is posted is post-marked before the end of the Offer Period,as valid even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance.
  - C. If the Bidder does treat such an Acceptance Form as valid, subject to the Conditions, the Bidder will not be obliged to give the consideration to you until the Bidder receives all those documents and all of the requirements for acceptance referred to in section 11.4 and in the Acceptance Form have been met (other than the requirement of your Acceptance Form to be received before the end of the Offer Period);
- vi. when accepting this Offer, you should forward for inspection:
  - A. if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
  - B. if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Securityholder, the relevant grant of probate or letters of administration;
- vii. irrevocably authorised and directed HPI to pay to the Bidder, or to account to the Bidder for, all Rights in respect of Your HPI Securities, subject, if this Offer is rescinded or rendered void, to the Bidder accounting to you for any such Rights received by the Bidder;
- viii. irrevocably authorise the Bidder to notify HPI on your behalf that your place of address for the purpose of serving notices upon you in respect of Your HPI Securities is the address specified by the Bidder in the notification;
- ix. on and from when the Offer becomes or is declared unconditional and all Conditions have been satisfied or waived, even though the Bidder has not yet paid the consideration due to you:
  - A. irrevocably appointed the Bidder and any director, secretary or nominee of the Bidder severally from time to time as your agent and attorney to exercise all your powers and rights in relation to Your HPI Securities, including without limitation powers and rights to requisition, convene, attend and vote in person, by proxy

or by body corporate Representative, at all general and class meetings of HPI and to request HPI to register, in the name of the Bidder or its nominee, Your HPI Securities, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable); and

B. agreed not to attend or vote in person, by proxy or by body corporate Representative at any general or class meeting of HPI or to exercise or purport to exercise any of the powers and rights conferred on the Bidder (and its directors, secretaries and nominees) in section 11.6c.vii.A;

- x. agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 11.6c.vii.ix.A; the attorney will be entitled to act in the interests of the Bidder as the beneficial owner and intended registered holder of Your HPI Securities;
  - xi. agreed to do all such acts, matters and things that the Bidder may require to give effect to the matters the subject of this section 11.6c (including the execution of a written form of proxy to the same effect as this section 11.6c which complies in all respects with the requirements of the constitution of HPI) if requested by the Bidder;
  - xii. agreed to indemnify the Bidder and each of its agents and attorneys in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security Holder Reference Number or in consequence of the transfer of Your HPI Securities to the Bidder (or to the Bidder's nominee, delegate and/or custodian) being registered by HPI without production of your Holder Identification Number or your Security Holder Reference Number for Your HPI Securities;
  - xiii. represented and warranted to the Bidder that, unless you have notified it in accordance with section 11.1e, Your HPI Securities do not consist of separate parcels of HPI Securities;
  - xiv. irrevocably authorised the Bidder (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your HPI Securities to the Bidder's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer; and
  - xv. agreed, subject to the Conditions of this Offer being fulfilled or freed (even though the Bidder has not yet paid the consideration due to you), to execute all such documents, transfers and assurances, and do all such acts, matters and things that the Bidder may consider necessary or desirable to convey Your HPI Securities registered in your name and Rights to the Bidder.
- d. The undertakings and authorities referred to in section 11.6c will remain in force after you receive the consideration for Your HPI Securities and after the Bidder becomes registered as the holder of Your HPI Securities.

## 11.7 Payment of consideration

- a. Subject to this section 11.7 and the Corporations Act:
- i. if you accept the Offer, and at that time the Conditions have been fulfilled or waived, you will be provided with the Offer Consideration due to you within the earlier of 1 month of your acceptance of the Offer and 21 days after the end of the Offer Period, in each case provided that all relevant documents have been received by the Bidder and are correctly completed; and
  - ii. if you accept the Offer, and at that time one or more Conditions have not been fulfilled or waived, you will be provided with the Offer Consideration due to you within the earlier of 1 month of all Conditions being fulfilled or waived and 21 days after the end of the Offer Period, in each case provided that all relevant documents have been received by the Bidder and are correctly completed.
- b. Where additional documents are required, either by the Acceptance Form or otherwise, to be given to the Bidder with your acceptance of the Offer (such as a power of attorney):
- i. if those documents are given with your Acceptance Form, the Bidder will provide the consideration for Your HPI Securities to which you are entitled under this Offer in accordance with section 11.7a;
  - ii. if those documents are given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to the Conditions, the Bidder will provide the consideration for Your HPI Securities to which you are entitled under this Offer within the earlier of 1 month of the Offer becoming unconditional and 21 days after the end of the Offer Period;

- iii. if those documents are given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to any Conditions, the Bidder will provide the consideration for Your HPI Securities to which you are entitled under this Offer within the earlier of 1 month after the date that the Bidder is given those documents and 21 days after the end of the Offer Period; and
- iv. if those documents are given after the end of the Offer Period, the Bidder will provide the consideration for Your HPI Securities to which you are entitled under this Offer within 21 days after the date that the Bidder is given those documents.

If you do not provide the Bidder with the required additional documents within 21 days after the end of the Offer Period, the Bidder may, in its sole discretion, rescind any contract arising from the Offer.

- c. If you accept this Offer, the Bidder is entitled to all Rights in respect of Your HPI Securities (subject to section 11.6c), and the Bidder may require you to provide all documents necessary to vest title to those Rights in the Bidder, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to the Bidder, or if you have received or become entitled to the benefit of those Rights before the Bidder provides the consideration to you, the Bidder will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by the Bidder) of those Rights in accordance with section d.

- d. If:

- i. you (or any previous holder of Your HPI Securities) become entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend or distribution, if you are (or any previous holder of Your HPI Securities is) the registered holder of the HPI Security at the specified time for determining those entitled to the dividend or distribution); or
- ii. Your HPI Securities were issued (or otherwise came into existence) on or after the Record Date in respect of any Rights,

then:

- iii. in the case of Rights to non-cash benefits, the Bidder will deduct the value (as reasonably assessed by the Bidder) of such Rights from any consideration otherwise payable to you; or
- iv. in the case of Rights to cash benefits, the Bidder will deduct the amount of such Rights from any consideration otherwise payable to you.

If the Bidder does not, or cannot, make such a deduction, you must pay such value or amount to the Bidder.

- e. If, at the time you accept the Offer, any of the following:
  - i. *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
  - ii. *Part 4 of the Charter of the United Nations Act 1945 (Cth)*;
  - iii. *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
  - iv. *any other regulations made under Part 4 of the Charter the United Nations Act 1945 (Cth)*;
  - v. *Autonomous Sanctions Regulations 2011 (Cth)*; or
  - vi. *any other law of Australia,*

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency be obtained before you receive any consideration for your HPI Units, or would make it unlawful for the Bidder to provide any consideration to you for Your HPI Securities, you will not be entitled to receive any consideration for Your HPI Securities until all requisite authorities, clearances or approvals have been received by the Bidder.

- f. If any amount (“withholding amount”) is determined by the Bidder as being required, under any Australian law or by any Government Agency, to be:
  - i. withheld from any consideration otherwise payable to you under the Offer and paid to a Government Agency;
  - ii. retained by the Bidder out of any consideration otherwise payable to you under the Offer; or

- iii. payable to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 to the Taxation Administration Act 1953 (Cth) with respect to the acquisition of HPI Securities from a HPI Securityholder, the payment or retention by the Bidder of the withholding amount (as applicable) will constitute full discharge of the Bidder's obligations to pay the consideration under the Offer to you to the extent of the withholding amount.

## 11.8 Nature and benefit of Conditions

- a. The Conditions are conditions subsequent. The non-fulfilment of any of those Conditions does not, until the end of the Offer Period (or in the case of the HPI Prescribed Occurrence Condition until the 3rd Business Day after the Offer Period) prevent a contract to sell Your HPI Securities from arising, but entitles the Bidder by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- b. Subject to the Corporations Act, the Bidder alone is entitled to the benefit of the Conditions, or to rely on any non-fulfilment of any of them.
- c. Each HPI Prescribed Occurrence is separate, several and distinct and no HPI Prescribed Occurrence will be taken to limit the meaning and effect of any other HPI Prescribed Occurrence<sup>26</sup>.

## 11.9 Freeing the Offer of Conditions

- a. Subject to the Corporations Act, the Bidder may declare this Offer, and any contract resulting from its acceptance, free from the Conditions, either generally or by reference to a particular fact, matter, event, occurrence or circumstance by giving a notice to HPI and to ASX, in accordance with section 650F of the Corporations Act. This notice may be given:
  - i. in the case of the HPI Prescribed Occurrence Condition, no later than 3 Business Days after the end of the Offer Period; and
  - ii. in the case of all the other Conditions in Annexure A, not less than 7 Business Days before the end of the Offer Period.
- b. If, at the end of the Offer Period (or in the case of the HPI Prescribed Occurrence Condition, at the end of the 3rd Business Day after the end of the Offer Period), the Conditions have not been fulfilled or waived and the Bidder has not declared the Offer free from the Conditions, all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts will be automatically void.

## 11.10 Notice on status of Conditions

The date for giving the notice on the status of the Conditions required by section 630(1) of the Corporations Act is 28 October 2024 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

## 11.11 Withdrawal of this Offer

- a. This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, the Bidder will give notice of the withdrawal to ASX and to HPI and will comply with any other conditions imposed by ASIC.
- b. If, at the time this Offer is withdrawn, the Conditions have been satisfied or waived, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- c. If, at the time this Offer is withdrawn, the Offer remains subject to the Conditions, all contracts arising from its acceptance will become void (whether or not the events referred to in the Conditions have occurred).
- d. A withdrawal pursuant to this section 11.11 will be deemed to take effect:

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<sup>26</sup> See Annexure A.

- i. if the withdrawal is not subject to conditions imposed by ASIC, after the date that consent in writing is given by ASIC; or
- ii. if the withdrawal is subject to conditions imposed by ASIC, after the date those conditions are satisfied.

### **11.12 Variation of this Offer**

The Bidder may vary this Offer in accordance with the Corporations Act.

### **11.13 No stamp duty or brokerage charges**

- a. The Bidder will pay any stamp duty payable on the transfer of Your HPI Securities to it (or to the Bidder's nominee, delegate and/or custodian) under and in accordance with this Offer.
- b. If Your HPI Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.
- c. If Your HPI Securities are registered in a CHESS Holding, or if you are a beneficial owner whose HPI Securities are registered in the name of a broker, bank, custodian or other nominee, no brokerage is payable by you, but you should ask your Controlling Participant or that nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

### **11.14 Foreign laws**

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

### **11.15 Governing law**

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales. Each party irrevocably submits to the non-exclusive jurisdiction of courts with New South Wales and waives any right to object to the venue on any ground.

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# 12 Definitions and interpretation

## 12.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below.

<b>Acceptance Form</b>	the acceptance form contained in Attachment B in this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of the Bidder.
<b>Acceptance Instructions</b>	has the meaning given to that term in section 10.5.
<b>Acquire</b>	the acquisition by the Bidder (either through the Bidder or its nominee, delegate or custodian) of Your HPI Securities on the terms of this Bidder's Statement and in accordance with any nominee, delegate or custodian arrangement or in accordance with such other arrangement as determined by the Bidder in its sole discretion and notified to each HPI Securityholder following the date of this Bidder's Statement, and <b>Acquired</b> and <b>Acquisition</b> has a corresponding meaning.
<b>Aggregate Funding Requirement</b>	has the meaning given to that term in section 7.3.
<b>Announcement Date</b>	the date of the announcement of the Offer to Acquire all of the HPI Securities by the Bidder, being 9 September 2024.
<b>ANZ</b>	means Australia and New Zealand Banking Group Limited.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASIC Market Integrity Rules</b>	means the ASIC Market Integrity Rules (Securities Markets) 2017.
<b>Associate</b>	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this Bidder's Statement and HPI was the designated body, and associated has a corresponding meaning.
<b>ASX</b>	ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange where the context requires.
<b>ASX Listing Rules</b>	the listing rules of ASX as amended or varied from time to time.
<b>ASX Settlement</b>	ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Operating Rules</b>	the operating rules of the settlement facility provided by ASX Settlement as amended or varied from time to time.
<b>ATO</b>	Australian Taxation Office.
<b>Backstop Facility</b>	has the meaning given to that term in section 7.5.
<b>Bank Debt</b>	has the meaning given to that term in section 7.4.
<b>Barrenjoey Advisory</b>	means Barrenjoey Advisory Pty Limited (ABN 17 636 976 228).
<b>Barrenjoey Markets</b>	means Barrenjoey Markets Pty Limited (ABN 66 636 976 059) (AFSL 521800).
<b>Bid Conduct Agreement</b>	has the meaning given to that term in section 9.2a.
<b>Bidder (the)</b>	Charter Hall Wholesale Management Limited (ACN 006 765 206) in its capacity as trustee for the CH Investment Trusts.
<b>Bidder Group</b>	The Bidder and each entity that is controlled, directly or indirectly by the Bidder.
<b>Bidder's Statement</b>	this document, containing a statement of the Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer in respect of HPI.
<b>Business Day</b>	a day on which the banks are open for business in Sydney, other than a Saturday, Sunday or public holiday in New South Wales, Australia.
<b>CH Investment Co Trust</b>	means Charter Hall Wholesale Management Limited in its capacity as trustee of CH Investment Co Trust or CH Investment Co Trust, as the context requires.
<b>CH Investment Trust</b>	means Charter Hall Wholesale Management Limited in its capacity as trustee of CH Investment Trust or CH Investment Trust, as the context requires.
<b>CH Investment Trust Holder</b>	has the meaning given to that term in section 9.3a.
<b>CH Investment Trusts</b>	means CH Investment Trust and CH Investment Co Trust.
<b>Change of Control</b>	<i>The definitions below have been extracted from the QVC Leases.</i>  <b>"Change of Control"</b> means (at the relevant time): a) [section not included as it only applies while the HPI Trust is unlisted] b) [section not included as it only applies while the HPI Trust is unlisted] c) if the HPI Trust is or is proposed to be listed and the property of the HPI Trust is more than 50% hotel properties (by value) (comprising not just the Hotel

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- Properties), any replacement of the Lessor as trustee of the Trust to a trustee in which a person other than a unitholder in the HPI Trust or a shareholder in the Lessor, who did not previously do so, acquires or holds directly or indirectly:
- i. shares in that trustee conferring 20% or more of the voting or economic interests in that trustee;
  - ii. the power to control the appointment or dismissal of the majority of that trustee's directors; or
  - iii. the capacity to control the financial and operating policies or management of that trustee,
- d) if the HPI Trust is or is proposed to be listed and the property of the HPI Trust is more than 50% hotel properties (by value) (comprising not just the Hotel Properties), a person other than a unitholder in the trust or a shareholder in the Lessor, who did not previously do so, acquires or holds directly or indirectly:
- i. shares in the Lessor or units in the HPI Trust conferring 20% or more of the voting or economic interest in the Lessor or the HPI Trust (as applicable);
  - ii. the power to control the appointment or dismissal of the majority of the Lessor's directors; or
  - iii. the capacity to control the financial and operating policies or management of the lessor or the HPI Trust; and
  - iv. the original Lessor or the sole unitholder at the date of [the relevant lease] no longer holds units in the HPI Trust conferring more than 50% of the voting or economic interests in the HPI Trust, or the capacity to control the financial and operating policies or management of the HPI Trust
- e) any person other than a shareholder of the Lessor obtaining control of the Lessor or of the HPI Trust as that term is used in section 50AA of the Corporations Act 2001.

**"Hotel Properties"** means the properties owned by [the Lessor] or a Related Body Corporate.

**"Lessor"** means HPI Company or its subsidiary (as applicable).

<b>Charter Hall Group or CHC</b>	a stapled group comprising Charter Hall Limited and Charter Hall Property Trust and each of their controlled entities.
<b>Charter Hall Holdings</b>	means Charter Hall Holdings Pty Ltd.
<b>CHESS Holding</b>	a holding of HPI Securities which is registered on the CHESS subregister being a register administered by ASX Settlement and which records uncertificated holdings of HPI Securities.
<b>Conditions</b>	the conditions to the Offer as outlined in Annexure A.
<b>Controlling Participant</b>	in relation to Your HPI Securities, has the same meaning as in the ASX Settlement Operating Rules.
<b>Corporate Directory</b>	means the directory set contained in Attachment A of this Bidder's Statement.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>CQR</b>	Charter Hall Retail Management Limited in its capacity as the responsible entity of Charter Hall Retail REIT (ASX:CQR) or Charter Hall Retail REIT (ASX:CQR) and each of its sub-trusts, as the context requires.
<b>CQR Information</b>	means any information regarding CQR contained in the Bidder's Statement or another public document relating to the Takeover Bid.
<b>Custodian Directions</b>	has the meaning given to that term in section 10.5.
<b>Eligible Securityholders</b>	has the meaning given to that term in section 10.5.
<b>Existing CQR Facilities</b>	has the meaning given to that term in section 4.1.
<b>The Facility</b>	the institutional acceptance facility as outlined in section 10.5.
<b>Facility Operator</b>	Pacific Custodians.
<b>Fairly Disclosed</b>	means such information has been disclosed as would enable a reasonable and sophisticated recipient, experienced in transactions similar to the transaction the subject of the Takeover Bid and familiar with the real estate or hotel and retail liquor business, to be aware of the nature and scope of the relevant matter, event or circumstance
<b>Forward Looking Facility</b>	has the meaning given to that term in section 7.6
<b>Government Agency</b>	any foreign or Australian government or governmental, semi governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory

	organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.
<b>GST</b>	goods and services tax imposed under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
<b>Holder Identification Number or HIN</b>	has the same meaning as in the ASX Settlement Operating Rules.
<b>Hostplus</b>	means Host-Plus Pty Ltd (ACN 008 634 704) of Level 9, 114 William Street Melbourne VIC 3000 Australia in its capacity as trustee of Host-Plus PST and/or Host-Plus Pty Ltd (ACN 008 634 704) of Level 9, 114 William Street Melbourne VIC 3000 Australia in its capacity as trustee of Hostplus Superannuation Fund (as applicable).
<b>Hostplus Information</b>	means any information regarding Hostplus, the Hostplus Superannuation Fund and Host-Plus PST contained in the Bidder's Statement or another public document relating to the Takeover Bid.
<b>Host-Plus PST</b>	means the Hostplus Pooled Superannuation Trust.
<b>HP HPI</b>	means Charter Hall Wholesale Management Limited (ACN 006 765 206) of Level 20, 1 Martin Place, Sydney, NSW, Australia 2000 in its capacity as trustee for the HP HPI Trust.
<b>HP HPI Trust</b>	means the HP HPI Trust.
<b>HPI or HPI Group</b>	HPI Trust and HPI Company and each of their controlled entities.
<b>HPI Board</b>	the board of directors of HPI Company, including in its capacity as the responsible entity of HPI Trust.
<b>HPI Company</b>	Hotel Property Investments Limited (ABN 25 010 330 515)
<b>HPI Director</b>	any director on the HPI Board.
<b>HPI Historical Financial Information</b>	has the meaning given in section 5.7.
<b>HPI Performance Right</b>	any right granted under the HPI Long Term Incentive Plan or any other incentive plan adopted by HPI which may entitle the holder to be issued (or otherwise acquire) an HPI Security or to be paid a cash amount in lieu of being issued (or otherwise acquiring) an HPI Security. The performance rights granted under the HPI Long Term Incentive Plan are not quoted on the ASX, nor are their full terms public.
<b>HPI Prescribed Occurrence</b>	has the meaning given in Condition 3 in Annexure A.
<b>HPI Prescribed Occurrences Condition</b>	Condition 3 in Annexure A.
<b>HPI Register</b>	the register of members of HPI maintained in accordance with the Corporations Act.
<b>HPI Security</b>	a stapled security comprising one fully paid unit in HPI Trust and a fully paid ordinary share in HPI Company
<b>HPI Securityholder</b>	a person who is the registered holder of one or more HPI Securities.
<b>HPI Share</b>	means, in respect of a HPI Security, the component of the stapled security that comprises one fully ordinary share in HPI Company.
<b>HPI Target's Statement</b>	the target's statement to be prepared by HPI in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
<b>HPI Trust</b>	means Hotel Property Investments Trust (ARSN 166 484 377).
<b>HPI Unit</b>	means, in respect of a HPI Security, the component of the stapled security that comprises one fully ordinary unit in HPI Trust.
<b>Investment Committee</b>	has the meaning given to that term in section 9.3b.
<b>Issuer Sponsored Holding</b>	holding of HPI Securities on the HPI issuer sponsored subregister.
<b>ITC</b>	Input Tax Credit.
<b>Last Practicable Date</b>	the last practicable date on which information could be included in this Bidder's Statement before going to print, being 6 September 2024.
<b>Link</b>	Link Market Services Limited ABN 54 083 214 537, the share registry for the Offer.
<b>Minimum Acceptance Condition</b>	Condition 1 in Annexure A.
<b>Offer</b>	the offer for HPI Securities on the terms and conditions contained in section 11.
<b>Offer Consideration</b>	cash offer of \$3.65 per HPI Security for all of Your HPI Securities, subject to the terms and conditions set out in section 11.
<b>Offer Period</b>	the period during which the Offer will remain open for acceptance in accordance with section 11.
<b>Offer Price</b>	means the consideration under the Offer as varied in accordance with section 11.2, or as required by the Corporations Act.



<b>Offer Terms</b>	the terms of the Offer set out in section 11.
<b>Official List of the ASX or Official List</b>	has the meaning given in chapter 19 of the ASX Listing Rules.
<b>On-Market Purchases</b>	has the meaning given to that term in section 10.11.
<b>Pacific Custodians</b>	means Pacific Custodians Pty Limited (ACN 009 682 866).
<b>Participant</b>	an entity admitted to participate in the Clearing House Electronic Sub-register system under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
<b>Previous CH HPI Securityholder</b>	has the meaning given to that term in section 3.4.
<b>QVC Group</b>	Queensland Venue Co Pty Ltd (ABN 57 079 861 626) and each of their Related Bodies Corporate.
<b>QVC Lease</b>	a lease between HPI Company, or its wholly owned subsidiary, and a member of the QVC Group.
<b>Record Date</b>	7.00pm (Sydney time) on 11 September 2024, being the date set by the Bidder under section 633(2) of the Corporations Act.
<b>Related Body Corporate</b>	has the meaning given in the Corporations Act and Related Bodies Corporate has a corresponding meaning.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act, except where used in connection with the compulsory acquisition provisions in the Corporations Act in which case it also has the meaning as modified by ASIC Corporations (Compulsory Acquisitions and Buyouts) Instrument 2023/684.
<b>Representative</b>	in relation to a party, its directors, employees, officers, agents and advisors.
<b>Rights</b>	all accretions, rights or benefits of whatever kind attaching to or arising from HPI Securities directly or indirectly on or after the Announcement Date (including all dividends and distributions and all rights to receive them and rights to receive or subscribe for HPI Securities, notes, bonds, options or other shares declared, paid or issued by any member of the HPI Group). Rights do not include any franking credits attached to any dividend.
<b>RITC</b>	Reduced Input Tax Credit.
<b>Securities Sale and Purchase Agreement</b>	has the meaning given to that term in section 9.4a.
<b>Security Holder Reference Number or SRN</b>	has the same meaning as in the ASX Settlement Operating Rules.
<b>Specified Event</b>	the specified events set out in Condition 4 in Annexure A.
<b>Takeover Bid</b>	the off-market takeover bid under Chapter 6 of the Corporations Act constituted by the despatch of the Offer.
<b>Takeover Transferee Holding</b>	has the same meaning as in the ASX Settlement Operating Rules.
<b>Undisturbed Date</b>	the date prior to announcement of CHC and CQR's 14.8% stake acquisition in HPI being 27 March 2024.
<b>USPP</b>	U.S. private placement note
<b>VWAP</b>	Volume-Weighted Average Price on the ASX. Excludes trades not made on-market, e.g. excludes CHC and CQR's acquisition of HPI Securities on 27 March 2024 directly from 360 Capital Group (ASX: TGP)
<b>Voting Power</b>	has the meaning given in section 610 of the Corporations Act.
<b>Your HPI Securities</b>	Your HPI Securities means, subject to sections 11.1d and 11.1e, the HPI Securities: <ul style="list-style-type: none"> <li>a. in respect of which you are registered, or entitled to be registered, as holder in the HPI Register as at the Record Date; and</li> <li>b. to which you are able to give good title at the time you accept this Offer during the Offer Period.</li> </ul>

## 12.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, the following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- a. a reference to time is a reference to Sydney time;
- b. headings are for convenience only and do not affect interpretation;
- c. the singular includes the plural and conversely;
- d. a reference to "this Bidder's Statement", "the date of this Bidder's Statement" or similar expressions are references to this second replacement Bidder's Statement;
- e. a reference to a section is to a section of this Bidder's Statement;
- f. a gender includes all genders;
- g. where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- h. A\$, \$, dollars or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- i. a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- j. a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- k. a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- l. a reference to any instrument or document includes any variation or replacement of it;
- m. a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules, as the case may be;
- n. a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- o. a reference to law includes any applicable law, legislation, regulation, common law, ASX Listing Rule or order of a Government Agency.
- p. a reference to the Bidder holding HPI Securities or the HPI Securities that the Bidder holds or similar, includes a reference to HPI Securities held by the Bidder's custodian from time to time.

# 13 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of the Bidder on 25 September 2024.

Signed for and on behalf of

Charter Hall Wholesale Management Limited as trustee for the CH Investment Trusts



**David Harrison**

Director, CHWML

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# Annexure A – Conditions to the Offer

## 1. Minimum acceptance

At the end of the Offer Period, the HPI Securities of which the Bidder or its nominee, delegate or custodian is the registered holder or in respect of which the Bidder has received valid acceptances under the Offer, represent at least 50.1% of all HPI Securities.

## 2. No restraints

Between the Announcement Date and the end of the Offer Period, no temporary restraining order, preliminary or permanent injunction or other order, in each case issued by a court of competent jurisdiction in Australia in a proceeding brought by a government agency is in effect preventing or delaying the Offer, unless such order or injunction has been disposed of to the satisfaction of the Bidder acting reasonably and in good faith.

## 3. HPI Prescribed Occurrence

Between the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occur (each an “HPI Prescribed Occurrence”):

- a. HPI converts all or any of the HPI Securities into a larger or smaller number of HPI Securities;
- b. any member of the HPI Group resolves to reduce its capital in any way;
- c. any member of the HPI Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement in respect of any HPI Securities or otherwise redeems HPI Securities;
- d. any member of the HPI Group issues units or shares or grants an option over its units or shares, or agrees to make such an issue or grant such an option in each case, other than:
  - i. the issue or agreement to issue HPI Performance Rights in the ordinary course of business consistent with HPI's past practices (including the issue of HPI Performance Rights to HPI Chief Executive Mr John White as announced to ASX on 21 August 2024); or
  - ii. the issue of HPI Securities as a result of the vesting and/or exercise of HPI Performance Rights which are:
    - A. on issue as at the Announcement Date (being the date of the announcement of the Conditions); or
    - B. issued by, or agreed to be issued by, HPI after the Announcement Date in the ordinary course of business consistent with HPI's past practices;
- e. any member of the HPI Group issues, or agrees to issue, convertible notes;
- f. any member of the HPI Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- g. any member of the HPI Group grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- h. any member of the HPI Group resolves to be wound up;
- i. a liquidator or provisional liquidator of any member of the HPI Group is appointed;
- j. a court makes an order for the winding up of a member of the HPI Group;
- k. an administrator of a member of the HPI Group is appointed under section 436A, 436B or 436C of the Corporations Act;
- l. a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of a member of the HPI Group; or
- m. a member of the HPI Group is otherwise wound up in accordance with their constituent documents or the Corporations Act.

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#### 4. HPI Material Adverse Change

Between the Announcement Date and the end of the Offer Period (each inclusive), no HPI Material Adverse Change occurs. For this purpose, HPI Material Adverse Change means an event, matter or thing occurring after the date of the Announcement Date (each a “**Specified Event**”) which, whether individually or when aggregated with all such Specified Events that have occurred, has had or would be considered reasonably likely to have:

- a. the effect of a diminution in the value of the consolidated net tangible assets of HPI, taken as a whole, by at least 15% against what it would reasonably have been expected to have been but for such Specified Event;
- b. the effect of a diminution in HPI’s Operating Profit (as defined by HPI) by at least 15% in any financial year for HPI against what it would reasonably have been expected to have been but for such Specified Event, calculated on a basis consistent with calculations of HPI’s Operating Profit for the financial year ended 30 June 2024.

determined after taking into account any matters which offset the impact of the Specified Event giving rise to the adverse effect, other than an event, matter or thing:

- c. arising out of the announcement or pendency of the Offer (including any loss of or adverse change in the relationship of HPI with its tenants, customers, partners, creditors or suppliers as at the date of the Announcement Date, including the loss of any contract);
- d. that was Fairly Disclosed by HPI in an announcement made to ASX or on its website, or a publicly available document lodged by it with ASIC or available on the PPS Register, prior to the Announcement Date;
- e. arising from changes in economic or business conditions that impact on HPI and its competitors in a similar manner (including interest rates, general economic, political or business conditions, including disruptions to, or fluctuations in, domestic or international financial markets but excluding changes in law or regulation);
- f. agreed to in writing by the Bidder; or
- g. arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.

#### 5. Market Fall

The S&P / ASX 200 A-REIT Index not closing at a level that is 10% below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least five consecutive trading days.

#### 6. Material acquisition or disposal

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the HPI Group:

- a. acquires or disposes, or agrees to acquire or dispose of any asset(s); or
- b. makes or commits to any new incremental capital expenditure program or obligation; or
- c. enters into a transaction with substantially the same effect as (a) or (b),

with a combined value of more than \$50 million (where the combined value is defined as the aggregate amount of the gross sale price for all disposals, the gross purchase price for all acquisitions, the total value of all capital expenditure programs or obligations, and the total equivalent amounts of all transactions in (c)), other than as Fairly Disclosed by HPI in its public filings with the ASX prior to the Announcement Date.

# Attachment A – Corporate Directory

## **Charter Hall Wholesale Management Limited**

### **(Principal and Registered Office)**

Level 20, 1 Martin Place

Sydney NSW 2000

## **FINANCIAL ADVISORS TO THE OFFER**

### **Barrenjoey Advisory**

Level 19, Quay Quarter Tower

50 Bridge Street

Sydney NSW 2000

### **Citi**

Level 23, 2 Park Street

Sydney NSW 2000

## **LEGAL ADVISOR TO THE OFFER**

### **Arnold Bloch Leibler (ABL)**

Level 24, Chifley Tower

2 Chifley Square

Sydney NSW 2000

## **SHARE REGISTRY FOR THE OFFER**

### **Link Market Services Limited**

Level 12, 680 George Street

Sydney NSW 2000

## **OFFER INFORMATION LINE**

T: 1800 178 658 (within Australia)

T: +61 1800 178 658 (outside Australia)

## **OFFER WEBSITE**

<https://events.miraqle.com/ch-offer/>

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# Attachment B – Acceptance Form

*[Refer to page overleaf]*

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## Further Important Instructions

As your HPI Securities are in a CHES Holding, you do not need to complete and return this Acceptance Form to the Registry or accept the Offer online to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time for your Controlling Participant to carry out those instructions before the end of the Offer Period. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow sufficient time for the Registry to give instructions to your Controlling Participant and for your Controlling Participant to carry out those instructions before the end of the Offer Period.

If you do return your completed Acceptance Form to the Registry instead of your Controlling Participant, the Registry will endeavour to contact your Controlling Participant on your behalf and relay your instructions but makes no guarantee that it will do so. Neither CH Investment Trusts nor the Registry will be responsible should your Controlling Participant not acknowledge and accept your instructions.

Please refer to the Bidder's Statement which accompanies this Acceptance Form.

### Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** that CH Investment Trusts will provide the consideration due to you for Your HPI Securities in the manner described in section 11.2 of the Bidder's Statement.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
  - **Joint Securityholders:** If your HPI Securities are held in the names of more than one person, all of those persons must sign this Acceptance Form.
  - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
  - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
  - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

**Personal Information Collection Notification Statement:** MUFG Pension & Market Services ("MPMS") advises that your personal information is collected by MPMS organisations for the administration of your investment as required or permitted by the *Corporations Act 2001* (Cth) and other legislation. Some or all of your personal information may be disclosed to contracted third parties, or related MPMS companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the MPMS privacy policy, or contact us by phone on +61 1300 554 474 to request a copy.

### Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

**Mailing Address**

Link Market Services  
Hotel Property Investments Limited Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

**or Hand Delivery**

Link Market Services  
Level 12  
680 George Street  
SYDNEY NSW 2000 Australia

- A reply paid envelope is enclosed for use within Australia.

**You must act in sufficient time for your acceptance to be processed before the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.**

**If you have any questions about the terms of the Offer or how to accept, please call the Offer Information Line on the following numbers:**

**within Australia: 1800 178 658, outside Australia: +61 1800 178 658  
between 8:30am (Sydney time) and 5:30pm (Sydney time), Monday to Friday (excluding public holidays)**

**Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services**

**Need help?**

**Contact** Offer Information Line  
**Phone** 1800 178 658 (from within Australia)  
**Phone** +61 1800 178 658 (from outside Australia)

**A Your name**

SAMPLE NAME 1  
SAMPLE NAME 2  
<SAMPLE A/C>  
SAMPLE ADDRESS 1  
SAMPLE ADDRESS 2

**Your holding**

IID:  
Securityholder Reference Number:  
HPI Securities held as at Record Date

**This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.**

**Takeover Acceptance Form – Issuer Sponsored Subregister**

This is a personalised form for the sole use of the holder and holding recorded above.

Capitalised terms used in this Acceptance Form have the meaning given in the Bidder's Statement issued by **Charter Hall Wholesale Management Limited** (ACN 006 765 206) in its capacity as trustee of the CH Investment Trust and CH Investment Co Trust (**CH Investment Trusts or the Bidder**) under Part 6.5 of the Corporations Act 2001 (Cth) (as replaced or supplemented from time to time) (**Bidder's Statement**) including an offer by CH Investment Trusts to acquire all your HPI Securities.

Unless you notify the Registry otherwise, by submitting this form you are taken to declare that either: (a) you are a resident of Australia for the purposes of the Tax Act (being either the Income Tax Assessment Act 1997 (Cth) or the Income Tax Assessment Act 1936 (Cth), as relevant; or (b) Your HPI Securities are not "indirect Australian real property interests" for the purposes of the Tax Act.

**B You must give your instructions to accept the Offer**

If you sign and return this form, you will be deemed to have accepted the Offer in respect of **ALL** of Your HPI Securities (even if different to the number stated above). Your form must be received by the date the Offer closes.

**Offer Price** – \$3.65 per HPI Security

To accept the Offer, you may either:

- log in to <https://events.miraqle.com/ch-offer> using your SRN, follow the instructions there, and select the 'Accept' option; or
- complete and sign this form in accordance with the instructions on it and send it with all other documents required by those instructions to the address shown overleaf so that it is received before the end of the Offer Period.

**C Contact details**

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

( ) | | | | | | | | | |

Contact Name (PRINT)

\_\_\_\_\_

**D You must sign this form for your instructions in this Acceptance Form to be executed**

I/We, the person(s) named above, accept the Offer in respect of all my/our HPI Securities and hereby agree to transfer to CH Investment Trusts all my/our HPI Securities for the Offer Price on the terms and conditions of the Offer as set out in the Bidder's Statement (and agree to be bound by the terms and conditions of the Offer as set out in the Bidder's Statement) and irrevocably authorise the Bidder (and any director, secretary or nominee of the Bidder) to alter the Acceptance Form on your behalf by inserting correct details of Your HPI Securities, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by the Bidder to make it an effective acceptance of this Offer, or to enable registration of Your HPI Securities in the name of the Bidder.

Securityholder 1 (Individual)

\_\_\_\_\_

Sole Director & Sole Company Secretary

Securityholder 2 (Individual)

\_\_\_\_\_

Secretary/Director (delete one)

Securityholder 3 (Individual)

\_\_\_\_\_

Director

**Please refer overleaf for further important instructions**

REGISTRY USE ONLY

\*I999999999999999\*

SRN

\*XXX\*

Holding

For personal use only

## Further Important Instructions

As your HPI Securities are in an Issuer Sponsored Holding, to accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below or accept the Offer online in accordance with the instructions overleaf.

Please refer to the Bidder's Statement which accompanies this Acceptance Form.

### Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your HPI's share registry
- **Please note** that CH Investment Trusts will provide the consideration due to you for Your HPI Securities in the manner described in section 11.2 of the Bidder's Statement.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
  - **Joint Securityholders:** If your HPI Securities are held in the names of more than one person, all of those persons must sign this Acceptance Form.
  - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
  - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
  - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

**Personal Information Collection Notification Statement:** MUFG Pension & Market Services ("MPMS") advises that your personal information is collected by MPMS organisations for the administration of your investment as required or permitted by the *Corporations Act 2001* (Cth) and other legislation. Some or all of your personal information may be disclosed to contracted third parties, or related MPMS companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the MPMS privacy policy, or contact us by phone on +61 1300 554 474 to request a copy.

### Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

#### Mailing Address

Link Market Services  
Hotel Property Investments Limited Takeover  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

#### or Hand Delivery

Link Market Services  
Level 12  
680 George Street  
SYDNEY NSW 2000 Australia

- A reply paid envelope is enclosed for use within Australia.

**You must act in sufficient time for your acceptance to be processed before the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.**

**If you have any questions about the terms of the Offer or how to accept, please call the Offer Information Line on the following numbers:  
within Australia: 1800 178 658, outside Australia: +61 1800 178 658  
between 8:30am (Sydney time) and 5:30pm (Sydney time), Monday to Friday (excluding public holidays)**

**Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services**