

**Compass Hotel Group**

ACN 127 909 835

**Compass Hotel Group Trust**

ARSN 128 197 197

Responsible entity and Issuer of units

**Primary Securities Ltd**

ABN 96 089 812 635

AFSL No. 224107

000001 000 CXH  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

25th August 2008

Dear Security Holder

**Compass Hotel Group Trust  
Change of Responsible Entity**

**PLEASE NOTE THAT YOU ARE NOT REQUIRED TO TAKE ANY ACTION IN  
RESPECT OF THIS LETTER AND ATTACHED DOCUMENTS UNLESS YOU OBJECT  
TO THE PROPOSED CHANGE OF RESPONSIBLE ENTITY**

You are a security holder of stapled securities of Compass Hotel Group. Each security comprises of a share in Compass Hotel Group Limited ABN 18 127 909 835 and a unit in Compass Hotel Group Trust ARSN 128 197 197 (the Trust).

The stapled securities were issued pursuant to a disclosure document dated 23 November 2007. In that document investors were advised that after allotment of units in the Trust the responsible entity (Primary Securities Ltd) would form a wholly owned subsidiary to act as responsible entity of the Trust, subject to that company obtaining a suitable Australian Financial Services Licence (AFSL).

We are pleased to advise that Primary Compass Ltd ACN 129 159 182 (PCL) has now been formed as a wholly owned subsidiary of Primary Securities Ltd and ASIC has offered an AFSL to PCL, subject to the agreement by the members of the Trust agreeing to the change of responsible entity.

The Corporations Act 2001 normally requires that the change of a responsible entity must be considered at a meeting of members of the Trust. However, as the change proposed is to a related body corporate, following an application for relief, ASIC have modified the provisions of the Corporations Act in this instance. Accordingly, the proposition for the change of responsible entity may be given by means of a notice to members, providing certain information and then only if requested by the requisite number or percentage of members, a postal vote or meeting must be conducted regarding the proposal.

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Primary Securities Limited ACN 089 812 635 AFSL 221407  
as responsible entity for  
Compass Hotel Group Trust  
13 Nairn Street [PO Box 732] Fremantle WA 6959

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Please find attached:

- (a) notice to members
- (b) form to be returned **only** if you wish to ask for a postal vote or the calling of a meeting.

**IF YOU HAVE NO OBJECTION TO THE CHANGE OF RESPONSIBLE ENTITY TO PRIMARY COMPASS LTD THEN DO NOTHING.**

If a postal vote or meeting is not required then on 16<sup>th</sup> September 2008 Primary Securities Ltd will lodge a notice with ASIC asking it to alter the record of the Trust's registration to name Primary Compass Ltd as the Trust's responsible entity.

Yours faithfully

**PRIMARY SECURITIES LTD**



Barbara Boyd  
Company Secretary



## Change of Responsible Entity of Compass Hotel Group Trust

### 1. Proposal to Change Responsible Entity

It is proposed that Primary Compass Ltd (PCL) replace Primary Securities Ltd (PSL) as the responsible entity of Compass Hotel Group Trust (the Trust). PCL is a wholly owned subsidiary of PSL. The directors of both companies are the same and PCL has adopted the Procedures Manual and Risk System Statement of PSL. The Compliance Committee of the Trust will remain the same if the change of responsible entity is approved.

### 2. Reasons for the Change

Stapled securities (shares in Compass Hotel Group Ltd and units in the Trust) were issued pursuant to an offer document dated 23 November 2007. On page 67 of that offer document investors were advised that after allotment of units in the Trust the responsible entity (PSL) would form a wholly owned subsidiary to act as responsible entity of the Trust (subject to that company obtaining a suitable Australian Financial Services Licence (AFSL)).

PCL has now been formed and ASIC has offered an AFSL to PCL subject to the agreement by the members of the Trust agreeing to change of responsible entity.

As disclosed on page 66 of the aforementioned offer document, Compass Hotel Group Ltd provided NTA support to the responsible entity of the Trust to allow the responsible entity to satisfy its AFSL requirements to act as the responsible entity of the Trust. At present this support is provided in the form of an eligible undertaking of \$1,000,000 from St George Bank. The eligible undertaking is only required due to the considerable size of the Trust's assets.

PSL is also the responsible entity for other managed investment schemes. However, as ASIC will not permit an eligible undertaking to be confined to a particular scheme, then the undertaking is exposed in relation to the other schemes.

This restructuring exercise is being carried out simply for risk reduction purposes. It is inappropriate that the eligible undertaking in respect of the Trust should be at risk from other unrelated schemes.

The reason for the change of responsible entity is therefore to protect the eligible undertaking. PCL will be the responsible entity of only the Trust. The eligible undertaking in favour of PSL is to be replaced by an eligible undertaking in favour of PCL.

**3. Voting on Proposal**

If no vote is requested by the requisite number or percentage of members within 21 days of the date of this notice then PSL will lodge a notice with ASIC asking it to alter the record of the scheme's registration to name PCL as the responsible entity.

If however:

- (a) Members who together hold at least 5% of the total value of the interests held by members; or
- (b) 100 members

who would be entitled to vote if the proposal were put as a proposed resolution to a meeting of members pursuant to Section 601FL of the Corporations Act 2001, ask for a vote on the choice of the proposed responsible entity by giving written notice received by PSL within 21 days from the date this notice is sent, PSL will arrange a postal vote or convene a meeting to vote on a resolution for the choice of proposed responsible entity.

If you wish to request a vote please complete and return the form attached to this notice.

**PLEASE NOTE THAT IF YOU DO NOT WISH TO ASK FOR A VOTE THEN  
NO ACTION IS NECESSARY**

Date of Notice

25th August 2008