



Supplemental to the Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in PPHE Hotel Group Limited, please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for PPHE Hotel Group Limited and no one else in connection with the Rule 9 Waiver Resolution and will not regard any other person as its client in relation to the Rule 9 Waiver Resolution and will not be responsible to anyone other than PPHE Hotel Group Limited for providing the protections afforded to clients of Jefferies or its affiliates, nor for providing advice in relation to the Rule 9 Waiver Resolution or any other matter or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Jefferies by FSMA or the regulatory regime established thereunder, Jefferies does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with PPHE Hotel Group Limited or the Rule 9 Waiver Resolution, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Jefferies accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this document or any such statement.

Supplement to the Notice of Annual General Meeting to be held on 17 May 2022 at 12 noon at 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW.

You will receive a Form of Proxy for the Annual General Meeting in the post. Instructions on how to appoint a proxy and how to register are detailed in the notes. If you have not received a hard copy form of proxy, are unable to locate any of the documents on the web page or need any help with voting online, please contact the Link Group shareholder helpline on 0044 371 664 0300.

Contents

Part 1 - Letter from the Deputy Chairman	3
Part 2 – Additional Information	7
Part 3 - Definitions.....	13
Part 4 - Supplement to the Notice of AGM.....	15

PART 1

LETTER FROM THE DEPUTY CHAIRMAN

PPHE HOTEL GROUP LIMITED

(Incorporated and registered in Guernsey with company registration number 47131)

Directors:

Eli Papouchado (Non-Executive Chairman)
Yoav Papouchado (Alternate Director)
Boris Ivesha (President and Chief Executive Officer)
Daniel Kos (Chief Financial Officer)
Ken Bradley (Non-Executive Director)
Kevin McAuliffe (Non-Executive Deputy Chairman)
Nigel Keen (Non-Executive Director)
Stephanie Coxon (Non-Executive Director)

Registered Office:

1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St. Peter Port
Guernsey GY1 1EW
Channel Islands

(each a “**Director**” and together the “**Directors**” and/or “**Board**”)

25 April 2022

Dear Shareholder,

Supplemental to the Notice of Annual General Meeting (“AGM”) of PPHE Hotel Group Limited (the “Company”) dated 28 February 2022

1. Introduction

You will recently have received the Notice of AGM dated 28 February 2022 with details of the AGM to be held on 17 May 2022 at 12 noon at 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW.

The Notice of AGM included, among others, the Company’s annual resolution authorising the Company to purchase up to 10 per cent. of the Ordinary Shares in issue (excluding treasury shares) (the “**Share Buy-Back Authority**”) in line with institutional guidelines and which the Company has included over the last years as part of its AGM resolutions. Given the shareholding of the Concert Party (currently being 43.24 per cent.), if the Share Buy-Back Authority were to be implemented by the Company, this would result in a proportionate increase in the Concert Party’s percentage holding (which, were the Share Buy-Back Authority to be exercised in full, would increase to 48.04 per cent.), which would in turn trigger Rule 9 of the Takeover Code (as is further explained below). However, this requirement to make a mandatory offer under Rule 9 of the Takeover Code can be waived by the Takeover Panel, if (amongst other things) the Company’s Independent Shareholders approve a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code (the “**Rule 9 Waiver Resolution**”). This document, therefore, gives notice of the Rule 9 Waiver Resolution which is now being proposed along with the other resolutions contained in the AGM Notice and contains a full explanation of the Rule 9 Waiver Resolution as well as the further information required under the Takeover Code.

2. The Rule 9 Waiver Resolution

The Rule 9 Waiver Resolution, which will be proposed as an Ordinary Resolution to be taken on a poll, seeks Independent Shareholder approval of a waiver of the obligation that would arise under Rule 9 of the Takeover Code for the Concert Party to make a general offer for the entire issued share capital of

the Company as a result of any purchases by the Company of Ordinary Shares from persons other than members of the Concert Party pursuant to the Share Buy-Back Authority set out at Resolution 16 of the Notice of AGM. The Share Buy-Back Authority allows the Company to purchase up to 4,254,077 Ordinary Shares, being, at the date of the Notice of the AGM, an amount equal to approximately 10 per cent. of the Ordinary Shares in issue (excluding treasury shares).

Background

As a Guernsey incorporated company with its shares admitted to listing on the premium-listing segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange, the Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he or she and persons acting in concert with him or her are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him or her, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he or she is interested, then, in either case, that person is normally required to make a general offer to all other shareholders to acquire their shares. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any persons acting in concert with him or her, for any interest in shares in the company during the twelve months prior to the announcement of the general offer.

Where parties acting in concert hold more than 50 per cent. of the voting rights in a company, obligations under Rule 9 do not typically arise. Parties acting in concert may accordingly increase their aggregate interests in shares without triggering the obligation under Rule 9, although individual members of the Concert Party acting in concert will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Takeover Panel consent.

Impact of Rule 37 of the Takeover Code

Under Rule 37 of the Takeover Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. There is an exemption to Rule 37 which sets out that, where a person comes to exceed the limits in Rule 9 of the Takeover Code in consequence of a company's redemption or purchase of its own shares, he or she will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors. Eli Papouchado and Boris Ivesha (who are members of the Concert Party) are Directors, so this exemption does not apply.

The Concert Party currently holds approximately 43.24 per cent. of the issued share capital of the Company (excluding treasury shares). Accordingly, if the Concert Party's aggregate shareholding were to increase as a result of the exercise of the Share Buy-Back Authority, the Concert Party would be required to make a mandatory general offer to the other Shareholders (as set out in the Takeover Code) for the remainder of the issued share capital of the Company.

Panel Waiver – exercise of the Share Buy-Back Authority

The Company has applied to the Takeover Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Share Buy-Back Authority to be exercised by the Board (if such authority is approved by the relevant percentage of Shareholders) without requiring any member of the Concert Party to make a mandatory offer to Shareholders. The Takeover Panel has reviewed the Rule 9 Waiver Resolution and has agreed, subject to the approval of the Independent Shareholders, to waive the requirement for any member of the Concert Party to make a mandatory offer to the other Shareholders (as set out in the Takeover Code) for the remainder of the issued share capital of the Company that would otherwise arise

as a result of the Share Buy-Back. In the event that the Rule 9 Waiver Resolution is approved by Independent Shareholders, the Concert Party will not be restricted from making a general offer for the Company.

The Rule 9 Waiver Resolution is being proposed and will be taken on a poll, to be passed by more than 50 per cent. of votes cast by Independent Shareholders present in person or by proxy and voting at the AGM.

No members of the Concert Party will be entitled to vote on the Rule 9 Waiver Resolution. Accordingly, Euro Plaza (together with the other companies which hold Ordinary Shares in which Eli Papouchado is interested) and Walford (which holds the Ordinary Shares in which Boris Ivesha is interested) have undertaken not to vote the Ordinary Shares in which they are interested, in respect of the Rule 9 Waiver Resolution.

Outline of the Concert Party

Eli Papouchado, the Non-Executive Chairman of the Company, is interested in 13,760,260 Ordinary Shares (representing approximately 32.34 per cent. of the issued share capital of the Company (excluding treasury shares)) through Euro Plaza and certain other companies. Boris Ivesha, the Company's President and Chief Executive Officer of the Company, is interested in 4,636,974 Ordinary Shares (representing approximately 10.90 per cent. of the issued share capital of the Company (excluding treasury shares)) through Walford.

Euro Plaza, Walford, Eli Papouchado, Boris Ivesha and other parties are a party to a shareholders' agreement dated 14 March 2013 as amended from time to time (the "**Shareholders' Agreement**"). Pursuant to the Shareholders' Agreement, it has been agreed that for so long as, inter alia, the combined interests of the Ivesha Parties and the Red Sea Parties in the Company are not less than 30 per cent. and the Red Sea Parties' interest in the Company is at least 20 per cent. of the share capital then in issue (excluding, in both cases, shares held in treasury), on any Shareholder resolution, all Ordinary Shares held by the Ivesha Parties shall be voted in a manner which is consistent with the votes cast by, or on behalf of, the Red Sea Parties in respect of that resolution. As a result, the Ivesha Parties are all considered to be acting in concert with the Red Sea Parties for the purposes of the Takeover Code.

Accordingly, the Concert Party holds 18,397,234 Ordinary Shares representing approximately 43.24 per cent. of the issued share capital of the Company (excluding treasury shares).

Intentions of the Concert Party

The Concert Party has confirmed to the Company that no member of the Concert Party has any intention to change the Company's plans with respect to (i) the future business of the Company, (the Company does not have any research and development functions); (ii) the continued employment of the employees and management of the Company and of its subsidiaries, including any material change in conditions of employment or balance of skills and functions of the employees and management; (iii) its strategic plans for the Company, or their likely repercussions on employment and on the locations of the Company's places of business, including on the location of the Company's headquarters and headquarters functions; (iv) employer contributions into the Company's pension scheme(s) (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members, or the admission of new members; (v) the redeployment of the fixed assets of the Company; and/or (vi) the maintenance of the Company's listing on the London Stock Exchange.

No member of the Concert Party is currently intending to purchase any additional Ordinary Shares during the period covered by the Share Buy-Back Authority. If the Rule 9 Waiver Resolution is passed, the Concert Party will continue to be subject to Rule 9 of the Takeover Code in respect of any future purchases of Ordinary Shares.

Intentions of the Directors

Private and confidential

The Directors intend to maintain the listing of the Ordinary Shares on the Official List.

The Independent Directors anticipate that they will continue to seek Shareholder approval on an annual basis of the waiver of any Rule 9 obligation which may arise as a result of the exercise of a renewed buy back authority.

3. Audited Consolidated Accounts And Significant Change

The audited consolidated accounts for the periods to 31 December 2020 and 31 December 2021 can be found at <https://www.pphe.com>, and are incorporated into this document by reference. For the avoidance of doubt, the content of the website is not incorporated into and does not form part of this document.

The Directors are not aware of any significant change in the financial or trading position of the Company since 31 December 2021, being the date upon which its latest trading update was published.

Any Shareholder, person with information right or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Request for hard copies are to be submitted to Link Group at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL Tel: 0044 371 664 0300. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 –17:30, Monday to Friday excluding public holidays in England and Wales. All valid requests will be dealt with as soon as possible and hard copies mailed no later than two Business Days following such request being received.

4. Additional Information

Your attention is drawn to the 2021 Annual Report and to Part 2 of this document which contain certain additional information in respect of the Company, including Directors' interests. Shareholders are advised to read the whole of this document and the 2021 Annual Report and not rely solely on the summary information set out in this letter.

5. Recommendations

The Independent Directors, who have been so advised by Jefferies, consider the Rule 9 Waiver Resolution and the Share Buy-Back Authority, including the maximum controlling position which it will create and the effect which this will have on Shareholders generally, to be fair and reasonable and to be in the best interests of the Independent Shareholders and the Company as a whole. In providing its advice to the Independent Directors, Jefferies has taken account of the Independent Directors' commercial assessments.

Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Rule 9 Waiver Resolution at the AGM as the sole Independent Director who holds Ordinary Shares intends to do in respect of his own beneficial holding of Ordinary Shares, which amounts to 4,308 issued Ordinary Shares.

Eli Papouchado and Boris Ivesha have not taken part in the Board's consideration of the Rule 9 Waiver Resolution and have refrained from voting on any Board decisions with regard to it.

Yours faithfully,

KEVIN McAULIFFE
NON-EXECUTIVE DEPUTY CHAIRMAN

PART 2

ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Directors take responsibility for the information contained in this document other than:
- (a) the recommendation and associated opinion attributed to the Independent Directors set out in paragraph 5 of the Deputy Chairman's Letter (under the heading "Recommendations"); and
 - (b) the statement in paragraph 2 of the Deputy Chairman's Letter (under the heading "Intentions of the Concert Party") that the Concert Party has no intention of changing the Board or the employment rights of employees,

and the only responsibility accepted by the Directors in respect of the information in this document in respect of the information relating to the Concert Party has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Directors to verify this information).

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2 The Non-Independent Directors take responsibility for the statement in paragraph 2 of the Deputy Chairman's Letter that relates to the Concert Party and its intentions. To the best of the knowledge and belief of each of the Non-Independent Directors (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Independent Directors take responsibility for the recommendation and associated opinion attributed to them in paragraph 3 of the Deputy Chairman's Letter. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Incorporation and registration

- 2.1 The Company was incorporated and registered in Guernsey on 14 June 2007 as a non-cellular company limited by shares under the Companies Law with registered number 47131.
- 2.2 The Company is an international hospitality real estate company, with a portfolio of primarily prime freehold and long leasehold assets in Europe. Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its portfolio includes full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.
- 2.3 The principal legislation under which the Company operates is the Companies Law.
- 2.4 The registered office of the Company is in Guernsey and is located at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, GY1 1EW. The telephone number of the Company is +44 (0) 1481 700300.
- 2.5 The Company's website is www.pphe.com. Information on the Company's website does not form part of this document.

- 2.6 As at the Latest Practicable Date the issued share capital of the Company was 44,347,410 Ordinary Shares, carrying one vote each and the Company held 1,797,734 Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date was 42,549,676.
- 2.7 As at the Latest Practicable Date there were 575,531 Share Options outstanding over the Company's Ordinary Shares representing approximately 1.35 per cent. of the Ordinary Shares in issue (excluding treasury shares).

3 Concert Party

- 3.1 As at the Latest Practicable Date, the Concert Party holds and/or is interested in 18,397,234 Ordinary Shares representing approximately 43.24 per cent. of the issued share capital of the Company (excluding treasury shares). Details of the members of the Concert Party are set out in paragraph 2 of the Deputy Chairman's Letter under the heading "Outline of the Concert Party".
- 3.2 As at the Latest Practicable Date, Eli Papouchado is interested in 13,760,260 Ordinary Shares, which constitutes approximately 32.34 per cent. of the issued share capital (excluding treasury shares) of the Company, comprising:
- (a) 12,207,843 Ordinary Shares held by Euro Plaza. Euro Plaza is an indirect wholly-owned subsidiary of APY and 98 per cent. of the shares in APY are held by Eli Papouchado as trustee of an endowment created under Israeli law which he formed in 1998 (the "**Endowment**"). The primary beneficiaries of the Endowment are Eli Papouchado and his sons, Yoav Papouchado and Avner Papouchado, and the secondary beneficiaries are the children of Yoav and Avner. The remaining 2 per cent. of the shares in APY are held by Yoav and Avner Papouchado respectively (1 per cent. each). APY and its subsidiaries are part of an international constructions, hotel and real estate group (the "**Red Sea Group**") that was founded by Eli Papouchado. Some of the Ordinary Shares held by Euro Plaza have been pledged to secure guarantees given by Euro Plaza of certain banking facilities provided to another company in the Red Sea Group, as previously disclosed by the Company;
 - (b) 22,417 Ordinary Shares held by Red Sea Club Limited, a subsidiary of APY; and
 - (c) 1,530,000 Ordinary Shares held by A.A. Papo Trust Company Limited, which is wholly-owned by Eli Papouchado.
- 3.3 In addition, as at the Latest Practicable Date, Boris Ivesha is interested in 4,636,974 Ordinary Shares (representing approximately 10.9 per cent. of the entire issued share capital of the Company (excluding treasury shares)) through Walford.
- 3.4 As at the Latest Practicable Date, neither Eli Papouchado nor Boris Ivesha holds any options over Ordinary Shares under any of the Company's share option schemes.

4 Directors and Concert Party interests and dealings

- 4.1 The names of the Directors and their functions are set out on page 1 of this document
- 4.2 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of each Director, their immediate families and persons connected with them in the Ordinary Share capital of the Company, together with any options in respect of such share capital, (all of which are beneficial unless otherwise stated) were as follows:

Director	Ordinary Shares
----------	-----------------

Eli Papouchado	13,760,260
Boris Ivesha	4,636,974
Daniel Kos	4,308

Director	Number of options	Number vested as at 31 December 2021	Exercise Price
Daniel Kos	25,000	25,000	14.3

- 4.3 As at the close of business on the Latest Practicable Date the interests, rights to subscribe and short positions (all of which are beneficial unless otherwise stated) of each member of the Concert Party in the Ordinary Share capital of the Company as notified to the Company were as follows:

Concert Party member	Number of Ordinary Shares	Percentage of the issued Ordinary Share capital (excluding treasury shares)
<i>Red Sea Parties:</i>		
Euro Plaza	12,207,843	28.69%
Red Sea Club Limited	22,417	0.05%
AA Papo Trust Company Limited	1,530,000	3.60%
<i>Ivesha Parties:</i>		
Walford	4,636,974	10.90%
Total	18,397,234	43.24%

Note 1: A.A. Papo Trust Company Limited is the trustee of a second endowment created by Eli Papouchado under Israeli law in 2008. Eli Papouchado was the owner of these 1,530,000 Ordinary Shares and granted those shares to the second endowment in 2015. The primary beneficiary of the second endowment is Eli's daughter, Eliana, and the secondary beneficiaries are Eli Papouchado and his divorcee, Sigal Gross.

- 4.4 Save as set out below, During the period of twelve months immediately prior to the publication of this document, no Directors and/or any member of the Concert Party and/or any other persons acting in concert with the Company has dealt in the Ordinary Shares. On 15 March 2022, Daniel Kos exercised 4,308 nil cost options and received a corresponding number of Ordinary Shares.
- 4.5 As at the close of business on the Latest Practicable Date the following Shareholders (not being members of the Concert Party) held 5% or more of the Company's issued share capital (excluding treasury shares).

Shareholder	Number of Ordinary Shares	Percentage of the issued Ordinary Share capital (excluding treasury shares)
Aroundtown Property Holdings	4,344,788	10.21%
Clal Insurance Enterprises Holdings	3,501,930	8.23%
Harel Insurance Investments and Financial Services	2,577,760	6.06%

- 4.6 Euro Plaza is an investment holding company and the statutory director of Euro Plaza is Red Sea Group Management B.V. The directors of Red Sea Group Management are: Cornelis Johannes Maria van Valen and Catharina Johanna Dolfina Weers-Wolterman.

- 4.7 If the Company were to repurchase from persons other than members of the Concert Party, the maximum number of Ordinary Shares pursuant to the Share Buy-Back Authority, the Concert Party's interest in Ordinary Shares would (assuming no other allotments of Ordinary Shares) increase to 48.04 per cent. of the issued share capital of the Company.

5 Concert Party and other Related Party Arrangements

- 5.1 No member of the Concert Party has entered into any agreements, arrangements or understandings (including any compensation arrangement) with any of the Directors which has any connection with or dependence upon the Rule 9 Waiver Resolution. In addition, save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) having any connection with or dependence upon the Rule 9 Waiver Resolution between any member of the Concert Party and any person interested or recently interested in shares in the Company, or any other recent director of the Company.
- 5.2 Each member of the Concert Party has confirmed that other than the Shareholders' Agreement there is no agreement, arrangement or understanding for the transfer of their Ordinary Shares to any third party.
- 5.3 It is not the Directors' intention to sell any of their shareholdings back to the Company pursuant to the Share Buy-Back Authority. As at the date of this Notice, the Directors are not aware of any proposal to purchase Ordinary Shares from any Related Parties pursuant to the Share Buy-Back Authority and the Directors confirm that there is no prior understanding, arrangement or agreement between the Company and any such Related Party to that effect.

6 Directors Service Contracts and Letters of Appointment

- 6.1 Each Executive Director has entered into a service contract of no fixed term with the notice period for termination and basic salary set out in the table in paragraph 6.3 below. Each Executive Director is entitled to benefits including pension, car and travel allowance, a discretionary bonus and discretionary entitlements under the Company's Employee Share Schemes (details of which are set out in paragraph 4.2 above and the 2021 Annual Report). Payments on termination are restricted to a maximum of the value of base salary and benefits for the notice period and the Remuneration Committee may apply mitigation in respect of any termination payment. Each service contract includes a non-compete arrangement.
- 6.2 Each of the Non-Executive Directors has entered into a letter of appointment with the Company for an initial period running from the date of appointment specified in the table below up until the Company's Annual General Meeting to be held in 2024 (other than Eli Papouchado who's appointment is of no fixed term), with a notice period for termination from either the Non-Executive Director or the Company of three months' notice.
- 6.3 Further details of each service contract or letter of appointment are set out below:

Name	Contract Date	Base Salary (2021)	Notice Period
Eli Papouchado	26 June 2007	£200,000 plus an additional cumulative fee of £5,000 for serving on a committee of the Board	3 months
Boris Ivesha	14 June 2007	£438,132 ^{1, 2}	12 months from Group; 6 months from Boris Ivesha to the Group
Daniel Kos	27 February 2018	£314,529 ^{1, 3}	6 months from Group; 3 months

			from Daniel Kos to the Group
Ken Bradley	4 September 2019	£55,700	3 months
Kevin McAuliffe	15 June 2007	£100,000 ²	3 months
Nigel Keen	20 February 2020	£58,220	3 months
Stephanie Coxon	7 August 2020	£55,700	3 months

Note 1: Salary paid in Euros and converted to £ at average exchange rate for presentation purposes.

Note 2: Boris Ivesha and Kevin McAuliffe are entitled to additional remuneration for their services on the supervisory board of the Group's subsidiary, Arena Hospitality Group, which is not included in the table above. In 2021, the total fee for Boris' services amounted to HRK147,368 (£16,807) and the total fee for Kevin McAuliffe's services amounted to HRK147,368 (£16,807).

Note 3: Daniel Kos received a base salary increase in July 2021, bringing his annual base salary to €525,000. Daniel Kos, agreed to waive any rights under cash and/or share incentives in 2020–2021 in connection with the government support received under the NOW scheme in the Netherlands during these years. In July 2021, Daniel Kos also agreed to waive any and all accrued and prospective rights in the retention bonus in line with the requirements of the NOW scheme for executives to forego any incentives beyond the base salary. The retention scheme was in effect as of accruing an amount of £50,000 cash per year, payable on the 5th anniversary of joining only if the participant remains in employment subject to leaver provisions. This scheme has been terminated and will not be renewed. In July 2021, Daniel Kos agreed to voluntarily waive his rights in connection with the grant of 100,000 market value options in October 2020 given the underlying requirements of the NOW scheme issued in the Netherlands. Daniel agreed to exchange 20% of his base salary for 12 months as of 1 November 2020 with nil-cost options in accordance with the salary option plan.

- 6.4 Ken Bradley, Nigel Keen and Stephanie Coxon's letters of appointment were amended in October 2021 to extend the initial term of their appointment from the date of the Company's 2021 Annual General Meeting, to the date of the Company's Annual General Meeting to be held in 2024. Kevin McAuliffe's letter of appointment was also amended at the same time to extend the initial term of his appointment from 14 June 2021 to the date of the Company's Annual General Meeting to be held in 2024. Pursuant to an amendment to Boris Ivesha's service contract in December 2021, his annual salary was increased from £448,000 to £500,000 and his annual pension contributions were reduced from £100,000 to £50,000. Other than the aforementioned amendments, no service contract or letter of appointment has been entered into or amended within 6 months of the date of this document.
- 6.5 There are no commission or profit sharing arrangements between the Company and any of the Directors. On termination of any Director's service contract, the maximum amount payable by the Company is the value of salary and benefits for the notice period.
- 6.6 No management incentivisation arrangements have been discussed in connection with any percentage increase in the Concert Party shareholding following any exercise of the Share Buy-Back Authority.

7 Material Contracts

- 7.1 Save as referred to in paragraph 7.2, there are no contracts (not being in the ordinary course of business) entered into by the Company or any member of the Group in the two years immediately preceding the date of this document which are, or may be, material or which contain any provision under which the Company or any member of the Group has any obligation or entitlement which is, or may be, material to the Company as at the date of this document.
- 7.2 On 30 June 2021, the Company entered into a joint venture with Clal Insurance, one of Israel's leading insurance and long-term savings companies, in respect of Park Plaza London Riverbank and the art'otel london hoxton development, two of the Group's prime London assets. In

consideration for the 49% stake which Clal Insurance acquired as part of this transaction, PPHE received a cash consideration of £113.7 million as part of this transaction, enabling the Group to pursue new opportunities to accelerate growth. As part of the transaction Clal was granted 5 million share appreciation rights ("SAR") which will have a value upside if the gap between the Group's latest reported EPRA NAV and its' current market price narrows over the maturity period. The SAR has a 7-year maturity with a strike price of £16 per Ordinary Share and the upside is capped at £21 per Ordinary Share. Settlement of the SAR will be in either Ordinary Shares or cash.

8 Consent

Jefferies has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to such name in the form and context in which they appear.

9 Middle Market Quotations

The middle market quotations for the Ordinary Shares of the Company, as derived from the London Stock Exchange Daily Official List, on the first Business Day of each of the six months immediately preceding the date of this document and on the Latest Practicable Date were:

Date	Price per Ordinary Shares (p)
Latest Practicable Date	1475
31 March 2022	1450
28 February 2022	1376
31 January 2022	1440
31 December 2021	1432
30 November 2021	1380
29 October 2021	1398

10 Availability of documents

Copies of the following documents will be available for inspection in the investor relations section of the Company's website <https://www.pphe.com> from the date of this document up to and including the date of the AGM:

- (a) this document;
- (b) the Articles;
- (c) the written consent referred to in paragraph 8 above;
- (d) the 2021 Annual Report; and
- (e) the 2020 Annual Report.

PART 3

DEFINITIONS

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

2020 Annual Report	the annual report of the Company for the financial year ended 31 December 2021
2021 Annual Report	the annual report of the Company for the financial year ended 31 December 2020
AGM	the Annual General Meeting which will be held on 17 May 2022.
APY	A.P.Y. Investments & Real Estate Ltd
Articles	the Articles of Incorporation of the Company
Board	the Board of Directors
Companies Law	the Companies (Guernsey) Law 2008 (as amended)
Company or PPHE Hotel Group	PPHE Hotel Group Limited
Concert Party	the Red Sea Parties and the Ivesha Parties
Endowment	has the meaning given to that term in paragraph 3.1 of Part 2 of this document
Euro Plaza	Euro Plaza Holdings B.V.
FCA	Financial Conduct Authority
Form of Proxy	a hard copy Form of Proxy for use by Independent Shareholders in connection with the AGM
FSMA	the Financial Services and Markets Act 2000
Group	the Company and all its subsidiaries from time to time
Independent Directors	the Directors excluding the Non-Independent Directors
Independent Shareholders	the Shareholders other than the members of the Concert Party
Ivesha Parties	Boris Ivesha, Walford and other parties acting in concert with him
Jefferies	Jefferies International Limited
Latest Practicable Date	22 April 2022
Listing Rules	the Listing Rules of the FCA

Non-Independent Directors	Eli Papouchado and Boris Ivesha
Notice of AGM	the notice convening the AGM dated 28 February 2022
Official List	the official list maintained by the FCA for the purposes of Part VI of FSMA
Ordinary Resolution	a resolution that requires a simple majority of those present, in person or by proxy, and voting in favour of the resolution in order to be passed
Ordinary Shares	Ordinary Shares of no par value each in the capital of the Company
Red Sea Group	has the meaning given to that term in paragraph 3.1 of Part 2 of this document
Red Sea Parties	Eli Papouchado, Euro Plaza, APY and A.A. Papo Trust Company Limited and other parties acting in concert with him
Registrar	Link Asset Services of 34 Beckenham Road, Beckenham, BR3 4TU
Related Party or Parties	has the meaning set out in the Listing Rules
Rule 9 Waiver Resolution	has the meaning given to that term in paragraph 1 of Part 1 of this document
Share Buy-Back Authority	has the meaning given to that term in paragraph 1 of Part 1 of this document
Shareholders	holders of Ordinary Shares
Shareholders' Agreement	has the meaning given to that term in paragraph 2 of Part 1 of this document
Takeover Code	the City Code on Takeovers and Mergers
Takeover Panel	the Panel on Takeovers and Mergers responsible for the issue and administration of The Takeover Code
Walford	Walford Investments Holdings Limited

PART 4

SUPPLEMENT TO THE NOTICE OF AGM

The AGM of the Company will be held at 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 12 noon on 17 May 2022. In addition to the 17 resolutions set out in the Notice of Annual General Meeting dated 28 February 2022 (of which this document forms part), you will also be asked to consider and vote on the resolution below (Resolution 18). Resolution 18 will be proposed as an Ordinary Resolution. Resolution 18 will be voted on only by the Independent Shareholders of the Company and will be taken by poll. As members of the Concert Party (as that term is defined in the supplement to the notice of AGM of which this notice forms part) are interested in the outcome of Resolution 18 all members of the Concert Party will be precluded from voting on that resolution:

ORDINARY RESOLUTION

The approval of the waiver granted by the Takeover Panel of any obligation which may otherwise arise, pursuant to Rule 9 of the Takeover Code, for the Concert Party (both individually and collectively) to make a general offer for the entire issued share capital of the Company following any increase in the percentage of shares carrying voting rights that the Concert Party are interested in as a result of the exercise by the Company of the authority to purchase its own shares granted to the Company pursuant to Resolution 16 of the 2022 Annual General Meeting, provided that such approval shall expire at the end of next year's AGM.

By Order of the Board

CAREY COMMERCIAL LIMITED
COMPANY SECRETARY

Registered Office:

1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 1EW

Dated: 25 April 2022

Notes: The following notes explain your general rights as a shareholder and your right to vote on the resolutions to be proposed at the AGM (the “**Resolutions**”) or to appoint someone else to vote on your behalf. The arrangements for attendance and voting at this year’s AGM and for asking questions on the business of the AGM are explained in the Chairman’s letter. Any changes to the arrangements will be communicated to shareholders through the Company’s website <https://www.pphe.com/media/reports-and-presentations/2022> and, where appropriate, by regulatory announcement.

1. To be entitled to vote on the Resolutions (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the register of members of the Company at close of business on 13 May 2022 or, if the AGM is adjourned, 48 hours prior to the time fixed for the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote on the Resolutions. Shareholders are encouraged to submit their proxy vote in advance of the AGM.

2. Voting on the Resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held.

3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. However, please note that a proxy listening remotely will not be counted as being present at the AGM, will not be able to vote at the AGM and will not have the ability to speak or ask questions.

4. Shareholders, or their proxies, intending to attend the AGM in person are requested, if possible, to arrive at the AGM venue at least 20 minutes prior to the commencement of the AGM at 12 noon on 17 May 2022 so that their shareholding may be checked against the

Company’s register of members and attendances recorded.

5. For shareholders who do not wish to, or are unable to, attend the AGM in person, a listen only dial-in facility will be provided to allow shareholders to listen to the AGM proceedings. The Directors strongly encourage shareholders to participate in the AGM by submitting any questions in advance and any specific questions on the business of the AGM and on the Resolutions can be submitted ahead of the AGM by e-mail to rhenke@pphe.com and izilberman@pphe.com (marked for the attention of Robert Henke and Inbar Zilberman).

6. Shareholders are advised to allow up to 20 minutes prior to the commencement of the AGM at 12 noon on 17 May 2022 to access the dial-in service (details are set out on page 2). If for any reason this facility fails, the validity of the Meeting shall not be affected.

7. In accordance with the Articles, shareholders or their proxies listening remotely will not be counted as being present at the AGM. Therefore, they will not be able to vote at the AGM and will not have the ability to speak or ask questions. Shareholders are encouraged to submit any questions in advance of the AGM so that the Board may respond to these after the business of the AGM is concluded. Shareholders listening remotely must, therefore, submit their proxy vote in advance of the AGM by appointing the chairman of the Meeting as proxy with voting instructions to ensure their vote is counted.

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first named being the most senior).

9. To allow effective constitution of the AGM, if it is apparent to the chairman of the Meeting that no shareholders will be present in person or by proxy, other than by proxy in the chairman’s favour, the chairman may appoint a substitute to act as proxy in his or her stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the chairman of the Meeting.

10. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy may vote or abstain from voting at their discretion. Your proxy may vote (or abstain from voting) as he, she or they thinks fit in relation to any other matter which is put before the AGM.

11. You can appoint a proxy in respect of the Resolutions by any of the following methods: by logging on to shares.pphe.com/welcome and following the instructions; or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below. Please note that a proxy listening remotely will not be counted as being present at the AGM, will not be able to vote at the AGM and will not have the ability to speak or ask questions. If you are appointing a proxy electronically and you have not already submitted your electronic proxy appointment, when you do so now you will be able to vote on all Resolutions. In order for a proxy appointment to be valid a form of proxy must be completed. In all cases the form of proxy must be received by Link Group at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12 noon on 15 May 2022.

12. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST manual (available from www.euroclear.com/site/public/EUI). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

14. In order for a proxy appointment or instruction made by means of CREST to be

valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 noon on 15 May 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

15. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009 (as amended).

16. Any corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder (other than a power to appoint a proxy) provided that no more than one corporate representative exercises powers in relation to the same shares. However, please note that a corporate representative listening remotely will not be

counted as being present at the AGM, will not be able to vote at the AGM and will not have the ability to speak or ask questions.

17. As at the Latest Practicable Date, the Company's ordinary issued share capital consisted of 44,347,410 ordinary shares of no par value (excluding shares held in treasury), carrying one vote each and 1,797,734 treasury shares. Therefore, the total voting rights in the Company as at the Latest Practicable Date is 42,549,676.

18. Your personal data includes data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Shareholder Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrar) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise. A copy of the Company's privacy policy can be found online at <https://www.pphe.com/site-services/privacy-policy>. A copy of this document and the Notice of AGM can be found on the Company's website at www.pphe.com