



## PPHE HOTEL GROUP LIMITED

### Notice of Extraordinary 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.

Investec, 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 Investec 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 on each of Jefferies and Investec by FSMA or the regulatory regime established thereunder, none of Jefferies, Investec or any of their affiliates accepts any responsibility whatsoever or makes 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 them, or on their 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. Each of Jefferies and Investec 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 they might otherwise have in respect of this document or any such statement.

Notice of Extraordinary General Meeting to be held on 28 February 2024 at 12 noon at The Farmhouse Hotel, Route Des Bas Courtils, St Saviours, Guernsey, GY7 9YF.

You will not receive a Form of Proxy for the Extraordinary General Meeting in the post. If you want to request 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 Link Group via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or call the shareholder helpline on 0044 371 664 0300.

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## PART 1 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)  
Greg Hegarty (Deputy Chief Executive Officer & Chief Operating Officer)  
Daniel Kos (Chief Financial Officer)  
Ken Bradley (Non-Executive Deputy Chairman) Nigel Keen (Non-Executive Director)  
Stephanie Coxon (Non-Executive Director)  
Marcia Bakker (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**”)

07 February 2024

**Dear Shareholder,**

### **Notice of Extraordinary General Meeting (“EGM”) of PPHE Hotel Group Limited (the “Company”) dated 28 February 2024**

#### **1. Introduction**

We are writing to inform you that the Company will be holding an EGM on 28 February 2024 at 12 noon at The Farmhouse Hotel, Route Des Bas Courtils, St Saviours, Guernsey, GY7 9YF. The Company, pursuant to the authority granted under Resolution 16 of the AGM (the “**Share Buy-Back Authority**”), wishes to have the ability to make market purchases of up to 4,235,876 Ordinary Shares of nil par value in the Company. Given the aggregate percentage shareholding of the Concert Party in the Company (currently being 43.43%), if the Share Buy-Back Authority were to be implemented by the Company and the Concert Party did not participate, 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 48.25%), 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 gives notice of the Rule 9 Waiver Resolution which is being proposed at the EGM and contains a full explanation of the Rule 9 Waiver Resolution as well as the further information required under the Takeover Code.

Shareholders can either attend the EGM in person or will be able to listen to the EGM proceedings remotely via a listen-only dial-in facility and participate by submitting questions in advance.

The dial-in details for Shareholders to listen to the EGM remotely are as follows:

United Kingdom (Local): +44 20 3936 2999  
United Kingdom (Toll-Free): +44 800 358 1035  
Global Dial-In Numbers - <https://www.netroadshow.com/events/global-numbers?confId=59954>  
Access Code: 636117

Shareholders are advised to allow up to 20 minutes prior to the commencement of the EGM at 12 noon on 28 February 2024 to access the service. Shareholders will be greeted by an operator who will take

their details before entering the EGM. Alternatively, Shareholders can enter their details themselves by following the pre-registration link (<https://www.netroadshow.com/events/login?show=59697521&confid=59954>) where Shareholders will be given a unique PIN to access the EGM without speaking to an operator. For any questions related to the dial-in facility, please contact [website\\_uk@orientcap.com](mailto:website_uk@orientcap.com).

In accordance with the Articles of Incorporation (“**Articles**”), Shareholders or their proxies listening remotely will not be counted as being present at the EGM. Shareholder participation is important to the Directors and all Shareholders are encouraged to vote ahead of the EGM by appointing a proxy to vote on the resolution set out in this Notice of EGM as soon as possible and in any event by 12 noon on 26 February 2024. Shareholders can appoint a proxy in respect of the resolution by any of the following methods:

- by logging on to [shares.pphe.com/welcome](https://shares.pphe.com/welcome) and following the instructions; or
- by requesting a hard copy form of proxy directly from the registrar, Link Group via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or on 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 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out on page 18.

Engagement with our Shareholders is important to the Company and the Directors. Therefore, we strongly encourage Shareholders who are unable to participate by attending the EGM, in person, to participate in the EGM by submitting any questions in advance. As such, any specific questions on the business of the EGM and on the resolution can be e-mailed to [rhenke@pphe.com](mailto:rhenke@pphe.com) and [izilberman@pphe.com](mailto:izilberman@pphe.com) (marked for the attention of Robert Henke and Inbar Zilberman). All such questions should be submitted by 5.00pm on 14 February 2024. The Board will then upload responses to the questions that have been submitted by the aforementioned deadline of 5.00pm on 14 February 2024 in advance of the proxy deadline of 26 February 2024 and these will be found at <https://www.pphe.com/media/reports-and-presentations>. This formal notice of the EGM and the resolution to be proposed are set out on page 16 of this document. Further information on the business to be conducted at the EGM and the resolution to be proposed is set out below.

The resolution to be voted on at the EGM will be voted on by Independent Shareholders via a poll rather than a show of hands.

## **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. The Share Buy-Back Authority allows the Company to purchase up to 4,235,876 Ordinary Shares, being, at the date of the Notice of the AGM, an amount equal to approximately 10% 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% 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% of the voting rights of a company, but does not hold shares carrying more than 50% 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% 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 43.43% 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, which, were the Share Buy-Back Authority to be exercised in full, would increase the Concert Party's shareholding in the Company to 48.25 %, 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 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 exercise of the Share Buy-Back Authority. 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% of votes cast by Independent Shareholders present in person or by proxy and voting at the EGM.

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 Boris Ivesha 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 32.48% 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 10.95% of the issued share capital of the Company (excluding treasury shares)).

Euro Plaza, 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% and the Red Sea Parties' interest in the Company is at least 20% 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 43.43% 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*

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.

If the Rule 9 Waiver is obtained, the Directors will only exercise the Share Buy-Back Authority after careful consideration and in circumstances where they are satisfied, that to do so would result in an increase in earnings per Ordinary Share and would be in the best interests of the Company and of its Shareholders generally. The Directors intend to keep under review the potential to purchase Ordinary Shares.

### **3. Audited Consolidated Accounts And Significant Change**

The audited consolidated accounts for the periods to 31 December 2021 and 31 December 2022 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 2023, being the financial year end date to which its latest trading update refers.

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, 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 2022 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 2022 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 and Investec, 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 their advice to the Independent Directors, each of Jefferies and Investec have 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 EGM 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 30,000 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.

## **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 Part 1 above (under the heading “Recommendations”); and
  - (b) the statement in Part 1 above (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 Part 1 above 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 number 3 of Part 1 above (under the heading “*Audited Consolidated Accounts and Significant Change*”). 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](http://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, of which 1,984,110 were held as treasury shares. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date was 42,363,300.

2.7 As at the Latest Practicable Date there were 631,723 Share Options outstanding over the Company's Ordinary Shares representing approximately 1.49% 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 43.43% of the issued share capital of the Company (excluding treasury shares). Details of the members of the Concert Party are set out in Part 1 above 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 32.48% 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% 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% of the shares in APY are held by Yoav and Avner Papouchado respectively (1% 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 10.95% of the entire issued share capital of the Company (excluding treasury shares)).

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	30,000

Director	Number of options	Number vested as at 05 February 2024	Exercise Price
Daniel Kos	25,000	25,000	14.3
Daniel Kos	22,000	-	Nil
Greg Hegarty	25,000	25,000	14.3
Greg Hegarty	27,308	27,308	Nil
Greg Hegarty	22,000	-	Nil

- 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	28.82%
Red Sea Club Limited	22,417	0.05%
AA Papo Trust Company Limited	1,530,000	3.61%
<i>Ivesha Parties:</i>		
Boris Ivesha	4,636,974	10.95%
<b>Total</b>	<b>18,397,234</b>	<b>43.43%</b>

*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.
- 4.5 On 15 March 2022, Daniel Kos exercised 4,308 nil cost options and received a corresponding number of Ordinary Shares. On 29 June 2022 Daniel Kos was granted conditional share options under the PPHE Executive Share Plan 2020. On 2 March 2023, Daniel Kos acquired 2,692 Ordinary Shares at a price of £11.56 per Ordinary Share. On 15 March 2023, Daniel Kos exercised 23,000 nil cost options and received a corresponding number of Ordinary Shares.
- 4.6 On 29 June 2022, Greg Hegarty was granted conditional share options under the PPHE Executive Share Plan 2020.
- 4.7 On 22 December 2023, Boris Ivesha acquired 4,636,974 Ordinary Shares from Walford a company which was holding such shares on behalf of a trust established for the benefit of members of the Ivesha family and which was previously a member of the Concert Party. The Panel has confirmed that this does not constitute a disqualifying transaction for the purposes of the Rule 9 Waiver.
- 4.8 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)
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Aroundtown Property Holdings	4,344,788	10.26%
Clal Insurance Enterprises Holdings	3,493,945	8.25%
Harel Insurance Investments and Financial Services	2,961,757	6.99%

- 4.9 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.
- 4.10 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 48.25% 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, and in respect of the Chief Financial Officer and Deputy Chief Executive Officer & COO, 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 2022 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 (2023)	Notice Period
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Eli Papouchado	26 June 2007	£200,000 <sup>1</sup>	3 months
Boris Ivesha	14 June 2007	£550,000 <sup>2</sup>	12 months from Group; 6 months from Boris Ivesha to the Group
Daniel Kos	27 February 2018	£478,060.08 <sup>3</sup>	6 months from Group; 3 months from Daniel Kos to the Group
Ken Bradley	4 September 2019	£37,500 <sup>4</sup>	3 months
Nigel Keen	20 February 2020	£44,500 <sup>5</sup>	3 months
Stephanie Coxon	7 August 2020	£37,500 <sup>6</sup>	3 months
Marcia Bakker	6 December 2022	£37,500 <sup>7</sup>	3 months
Greg Hegarty	16 January 2018	£496,125 <sup>8</sup>	12 months from Group; 6 months from Greg Hegarty to the Group

*Note 1: From 1 January 2024 Eli Papouchado's base salary was increased to £250,000.*

*Note 2: Boris Ivesha is entitled to additional remuneration for his services on the supervisory board of the Group's subsidiary, Arena Hospitality Group, which is not included in the table above. In 2022, the total fee for Boris' services amounted to HRK150,564 (£17,695). In addition, Boris Ivesha was entitled to a pension contribution of £27,500 during 2023. From 1 January 2024, Boris Ivesha's base salary was increased to £590,150.*

*Note 3: Salary paid in Euros and converted to £ at average exchange rate for presentation purposes. From 1 January 2024, Daniel Kos' base salary was increased to €568,491.*

*Note 4: From 1 January 2024 Ken Bradley's base salary was increased to £82,000. In addition, in 2023 Ken Bradley received £22,400 for sitting on committees of the board.*

*Note 5: From 1 January 2024 Nigel Keen's base salary was increased to £60,000. In addition, in 2023 Nigel Keen received £16,800 for sitting on committees of the board.*

*Note 6: From 1 January 2024 Stephanie Coxon's base salary was increased to £60,000. In addition, in 2023 Stephanie Coxon received £22,400 for sitting on committees of the board.*

*Note 7: From 1 January 2024 Marcia Bakker's base salary was increased to £60,000. In addition, in 2023 Marcia Bakker received £22,400 for sitting on committees of the board.*

*Note 8: Greg Hegarty is entitled to additional remuneration of EUR 5,000 per annum for his services on the supervisory boards of some of the Group's subsidiaries, including but not limited to Park Plaza Hotels (UK) Limited, which is not included in the table above. From 1 January 2024, Greg Hegarty's base salary was increased to £511,009.*

- 6.4 No other 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 13 March 2023, the Company entered into an agreement with Clal Insurance (“**Clal**”), one of Israel’s leading insurance and long-term savings companies, for Clal to participate as a cornerstone investor in the Company’s new European Hospitality Real Estate Fund (“**Fund**”). Clal has committed to invest up to €75 million (with an upper limit of 49% participation at any point in time) in the Fund. The agreement builds on the Company’s existing successful partnership with Clal in relation to two key London assets.

## 8 Consent

Jefferies and Investec have each given and have not withdrawn their written consents to the issue of this document with the inclusion of their names and references to their names 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	1,195
2 <sup>nd</sup> January 2024	1,165
1 <sup>st</sup> December 2023	1,285
1 <sup>st</sup> November 2023	1,025
2 <sup>nd</sup> October 2023	1,050
1 <sup>st</sup> September 2023	1,110
1 <sup>st</sup> August 2023	1,005

## 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 EGM:

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

(e) the 2022 Annual Report; and

(f) the 31 August 2023 Interim Results.

## **PART 3**

### **DEFINITIONS**

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

<b>2021 Annual Report</b>	the annual report of the Company for the financial year ended 31 December 2021
<b>2022 Annual Report</b>	the annual report of the Company for the financial year ended 31 December 2022
<b>AGM</b>	the Annual General Meeting which was held on 23 May 2023
<b>APY</b>	A.P.Y. Investments & Real Estate Ltd
<b>Articles</b>	the Articles of Incorporation of the Company
<b>Board</b>	the Board of Directors
<b>Companies Law</b>	the Companies (Guernsey) Law 2008 (as amended)
<b>Company or PPHE Hotel Group</b>	PPHE Hotel Group Limited
<b>Concert Party</b>	the Red Sea Parties and the Ivesha Parties
<b>EGM</b>	means the extraordinary general meeting which will be held on 28 February 2024
<b>Endowment</b>	has the meaning given to that term in paragraph 3.1 of Part 2 of this document
<b>Euro Plaza</b>	Euro Plaza Holdings B.V.
<b>FCA</b>	Financial Conduct Authority
<b>Form of Proxy</b>	a hard copy Form of Proxy for use by Independent Shareholders in connection with the EGM
<b>FSMA</b>	the Financial Services and Markets Act 2000
<b>Group</b>	the Company and all its subsidiaries from time to time
<b>Independent Directors</b>	the Directors excluding the Non-Independent Directors
<b>Independent Shareholders</b>	the Shareholders other than the members of the Concert Party
<b>Investec</b>	Investec Bank plc
<b>Ivesha Parties</b>	Boris Ivesha and other parties acting in concert with him (if any)
<b>Jefferies</b>	Jefferies International Limited
<b>Latest Practicable Date</b>	05 February 2024
<b>Listing Rules</b>	the Listing Rules of the FCA
<b>Non-Independent Directors</b>	Eli Papouchado and Boris Ivesha

<b>Notice of EGM</b>	this notice convening the EGM dated 07 February 2024
<b>Official List</b>	the official list maintained by the FCA for the purposes of Part VI of FSMA
<b>Ordinary Resolution</b>	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
<b>Ordinary Shares</b>	Ordinary Shares of no par value each in the capital of the Company
<b>Red Sea Group</b>	has the meaning given to that term in paragraph 3.1 of Part 2 of this document
<b>Red Sea Parties</b>	Eli Papouchado, Euro Plaza, APY and A.A. Papo Trust Company Limited and other parties acting in concert with him
<b>Registrar</b>	Link Group of Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Related Party or Parties</b>	has the meaning set out in the Listing Rules
<b>Rule 9 Waiver Resolution</b>	has the meaning given to that term in Part 1 of this document
<b>Share Buy-Back Authority</b>	has the meaning given to that term in Part 1 of this document
<b>Shareholders</b>	holders of Ordinary Shares
<b>Shareholders' Agreement</b>	has the meaning given to that term in Part 1 of this document
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers responsible for the issue and administration of The Takeover Code
<b>Walford</b>	Walford Investments Holdings Limited



## **PART 4**

### **NOTICE OF EGM**

An EGM of the Company will be held at The Farmhouse Hotel, Route Des Bas Courtils, St Saviours, Guernsey, GY7 9YF at 12 noon on 28 February 2024. You will also be asked to consider and vote on the resolution below (**Rule 9 Waiver Resolution**). The Rule 9 Waiver Resolution will be proposed as an Ordinary Resolution. The Rule 9 Waiver Resolution 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 notice of EGM of which this notice forms part) are interested in the outcome of the Rule 9 Waiver Resolution 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 2023 Annual General Meeting. The approval, as well as Resolution 16 of the 2023 Annual General Meeting, shall each expire at the end of the next annual general meeting of the Company.

By Order of the Board

SUNTERA (GUERNSEY) LIMITED  
COMPANY SECRETARY

Registered Office:

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

Dated: 07 February 2024

**Notes:** The following notes explain your general rights as a shareholder and your right to vote on the resolution to be proposed at the EGM (the “**Resolution**”) or to appoint someone else to vote on your behalf. The arrangements for attendance and voting at this EGM and for asking questions on the business of the EGM are explained in Part 1 of this document. Any changes to the arrangements will be communicated to shareholders through the Company’s website <https://www.pphe.com/media/reports-and-presentations> and, where appropriate, by regulatory announcement.

1. To be entitled to vote on the Resolution (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 the close of business on 26 February 2024 or, if the EGM 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 Resolution. Shareholders are encouraged to submit their proxy vote in advance of the EGM.

2. Voting on the Resolution 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 EGM. A shareholder may appoint more than one proxy in relation to the EGM 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 EGM, will not be able to vote at the EGM and will not have the ability to speak or ask questions.

4. Shareholders, or their proxies, intending to attend the EGM in person are requested, if possible, to arrive at the EGM venue at least 30 minutes prior to the commencement of the EGM at 12 noon on 28 February 2024 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 EGM in person, a listen only dial-in facility will be provided to allow shareholders to listen to the EGM proceedings. The Directors strongly encourage shareholders to participate in the EGM by submitting any questions in advance and any specific questions on the business of the EGM and on the Resolution can be submitted ahead of the EGM by e-mail to [rhenke@pphe.com](mailto:rhenke@pphe.com) and [izilberman@pphe.com](mailto: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 EGM at 12 noon on 28 February 2024 to access the dial-in service (details are set out on page 2). If for any reason this facility fails, the validity of the EGM 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 EGM. Therefore, they will not be able to vote at the EGM and will not have the ability to speak or ask questions. Shareholders are encouraged to submit any questions in advance of the EGM so that the Board may respond to these after the business of the EGM is concluded. Shareholders listening remotely must, therefore, submit their proxy vote in advance of the EGM by appointing the chairman of the EGM 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 EGM, if it is apparent to the chairman of the EGM 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 EGM.

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 EGM.

11. You can appoint a proxy in respect of the Resolution by any of the following methods: by logging on to [shares.pphe.com/welcome](https://shares.pphe.com/welcome) and following the instructions; by requesting a hard copy form of proxy directly from the registrar, Link Group, via email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or on 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 9.00am to 5.30pm, Monday to Friday excluding holidays in England and Wales; 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 EGM, will not be able to vote at the EGM 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 the Resolution. In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12 noon on 26 February 2024.

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 EGM (and any adjournment of the EGM) by using the procedures described in the CREST manual (available from [www.euroclear.com](http://www.euroclear.com)). 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 & International'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 26 February 2024. 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 & International 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 EGM, will not be able to vote at the EGM and will not have the ability to speak or ask questions.

17. As at 05 February 2024 (the latest practicable date prior to the publication of this document), the Company's ordinary issued share capital consisted of 44,347,410 Ordinary Shares, of which 1,984,110 were held as treasury shares. Therefore, the total voting rights in the Company as at the Latest Practicable Date is 42,363,300.

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 can be found on the Company's website at [www.pphe.com](http://www.pphe.com)