

Introduction to governance

Letter from the Chairman

I am pleased to present the corporate governance report for the year ended 31 December 2024.



“My responsibility is to ensure that the entrepreneurial executive leadership team is matched on the Board by diverse viewpoints.”

Ken Bradley

Chairman of the Board of Directors

I was pleased to be appointed Chairman of the Board on 9 January 2025, succeeding Eli Papouchado (“Papo”) following his decision to step aside. I am thankful to the Board for their trust in me and look forward to engaging with all stakeholder groups.

Board engagement with stakeholders is a key priority. I am the designated Board member responsible for workforce engagement. The report sets out shareholder and workforce engagement activities throughout the year.

There have been changes to the composition to the Board in January 2025, immediately after the end of the financial year on which we are reporting. I have succeeded Eli Papouchado as Chairman, and Eli has also stepped down as a Director, to be replaced by Roni Hirsch as a new Non-Executive Director.

This corporate governance report therefore sets out:

- Our approach to compliance with and application of the principles and provisions of the Code; and
- the outcomes of our externally conducted Board evaluation and resulting actions.

Leadership role

Our independent Non-Executive Directors have a range of expertise and experience across different sectors. Our Board leadership combines expertise in real-estate, accountancy, financial controls and corporate governance. We maintain a framework of prudent and effective controls against risk. I refer you to the Strategy Report to see the consistent success in delivering against strategic objectives in a challenging business and financial environment. Our pages on risk management detail the control framework for key strategic risks to the business. Risk and opportunity also form part

of our disclosures on carbon related matters, where the emphasis is on the risks posed by carbon emissions and climate change to the business, as well as the new opportunities created for the business by change. Our disclosures on those pages set out our vision for long-term, sustainable success which positively contributes to environmental performance and society as a whole.

In 2024, we repeated our annual Board Strategy Day. This is a deep-dive into strategic leadership and initiatives, and the outputs of the Strategy Day feed into the Executive Leadership Team.

Board evaluation

Our three-year cycle of Board evaluations required an external review of the Board and its Committees in 2024. This was conducted by Independent Audit Limited. In the two years following each independent, external review, the Board conducts an in-house review annually. The internal reviews update on the previous external assessment and ensure that there is an annual review to keep the Board effective and fit for purpose. The review is designed to look at the performance of the Directors, both individually and collectively, and present an assessment of the Board and its Committees. Please see page 113 for details of the review.

Board composition

Following changes to the Board in 2022 and 2023, 2024 was a year of stability in terms of Board composition, with no arrivals or departures to report. Each Director is subject to annual election by shareholders. Board composition remains a live issue for the Nomination Committee and the Board as a whole, as we are not yet compliant with the Financial Conduct Authority UK Listing Rules (and FTSE Women Leaders Review) targets on

Introduction to governance – continued

gender balance. These targets are incorporated into the ongoing maintenance of a succession plan for Board members, which is a delegated responsibility of the Nomination Committee. Please see the report at page 119.

The changes in Board composition as of 9 January 2025 are as follows:

- (1) Eli Papouchado no longer sits on the Board;
- (2) Yoav Papouchado is no longer Alternate Director;
- (3) Ken Bradley succeeded Eli Papouchado as non-executive Chairman; and
- (4) Roni Hirsch was appointed as non-executive director. Roni Hirsch is not independent.

ESG

Our targets on ESG are set out on pages 68-89 and are a vital part of our strategy. ESG is subject to Board oversight, and the Board maintains the ESG Committee in order to take responsibility for oversight on delivery against our strategic objectives. We have taken important steps forward in 2024, with details to be found on page 67.

Looking ahead to 2025, it is once again time to conduct a double materiality assessment for ESG in order to ensure that our strategy remains fit for purpose. The last materiality assessment was conducted in 2022, and it follows a three-year cycle. This will refresh our understanding of stakeholder priorities for ESG.

Shareholder engagement

The Co-CEOs, the CFO as well as the Board more generally, and other members of the Executive Leadership Team, seek to make themselves available to shareholders on an ongoing basis. They also maintain a calendar of shareholder engagement events, including investor roadshows, which are led by the Chief Financial Officer, Co-CEO and Executive Vice President Commercial Affairs. Investor engagement is also a priority at the announcement of our annual and half-yearly results. We are grateful to our shareholders for their active engagement, and their support for our strategy as a whole.

Nigel Keen, our Senior Independent Director, and I in particular, wish to emphasise the availability of the Board to shareholders at all times for frank discussion. As part of his role as Senior Independent Director, Mr Keen meets with shareholders as and when requested.

Workforce engagement

The Board is committed to engaging with our people, and strive for opportunities to seek feedback from them. I am the designated Director responsible for workforce engagement.

Our people are stakeholders critical to our success as a dynamic growing business.

Our people have first hand knowledge of our business and direct contact with key stakeholders, such as customers and suppliers and third party intermediaries and their input can contribute to strategic decision making of the Board to make PPHE Hotel Group Limited a better company over the medium term.

Workforce engagement allows Non-Executive Directors to be better equipped with knowledge of employee views so insightful discussions with the Executive Directors can take place, ensuring diversity of thinking in decision making. Further details of workforce engagement are found on page 113.

Conclusion

Good corporate governance is the basis of long-term, sustainable value creation, and ultimately, the key to securing the confidence our investors have shown in us. It is with this attitude that we look forward to 2025 and expanding our ESG reporting in particular. In this area, as with the fundamental KPIs of the business as a whole, we are going from strength to strength.



Ken Bradley

Chairman of the Board of Directors

Statement of Compliance

For the year ended 31 December 2024, the Board believes that the Company has applied all the principles of, and complied with all provisions of, the Corporate Governance Code 2018 ('Code'), except as set out in this governance statement as required by the Financial Conduct Authority's (FCA's) UK Listing Rules (which include the 'comply or explain' requirement).

We comply with corporate governance requirements pursuant to the FCA's Disclosure Guidance and Transparency Rules by virtue of information included in the governance section of this Annual Report.

The relevant documents can be found online at:

- [frc.org.uk](https://www.frc.org.uk), for the Code; and
- [handbook.fca.org.uk](https://www.handbook.fca.org.uk), for the FCA's Disclosure Guidance and Transparency Rules sourcebook as well as the UK Listing Rules.

Companies Act 2006 s.172

As a matter of good corporate governance, as Directors of PPHE Hotel Group, we make this statement required as by Section 172 of the UK Companies Act 2006 and the Financial Reporting Council Corporate Governance Code 2018 (although the Company is Guernsey-incorporated and, as such, the Companies Act 2005 has no legal effect).


Each Director of PPHE Hotel Group listed on pages 104 and 105 understands their duties, and acts in a way that, in their judgement, promotes the success of the Company for the benefit of all stakeholders, with due regard for the varying interests of different stakeholder groups. The duties of the Directors of the Company, separately and collectively, include a duty to identify and engage with identified stakeholder groups and ensure that the interests of those groups are taken into account in decision-making. Decisions shall incorporate input from identified stakeholders and be taken with due regard and consideration for the likely impact on them.

The Board's decisions are guided by what is most likely to promote the success of the


Company in the long term through creating sustainable value for shareholders and contributing to wider society as a whole.

We report in detail on our stakeholder engagement activities in the Stakeholder engagement section (page 64).


Board of Directors as at 31 December 2024




Boris Ivesha
President & Co-CEO & Executive Director




Daniel Kos
Chief Financial Officer & Executive Director



Greg Hegarty
Co-CEO & Executive Director




Eli Papouchado
Non-Executive Chairman




Yoav Papouchado
Alternate Director to Non-Executive Chairman Eli Papouchado


<p>Boris has been President of the Group since 1991. He brought the Park Plaza brand to the Group in 1994 in collaboration with the Red Sea Group, and has been the major influencer in expanding the Group's portfolio over the years. Boris has over 50 years of experience in the hotel industry. Boris is the Chairman of the Supervisory Board of the Arena Hospitality Group.</p> <p>External appointments: Chairman of the Supervisory Board of the Arena Hospitality Group</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2007</p>	<p>Daniel has worked with the Group for over ten years of which the last five years have been as Chief Financial Officer and Executive Director. As Chief Financial Officer, Daniel is responsible for the Group's finance, IT and procurement strategy. Daniel has over 20 years of finance experience in the field of audit and corporate finance and has been involved in several large complex M&A deals, large (re)financing projects and several transactions on the public markets in London and Zagreb.</p> <p>External appointments: N/A</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2018</p>	<p>Greg is responsible for leading the Group's strategy, operations, and commercial performance across its regions, driving growth, innovation, and operational excellence. Greg has held senior leadership roles at global brands such as GLH Hotels and BDL Hotels. He holds a Master's Degree in Business Administration (MBA) and is a Fellow of the Institute of Hospitality. In recognition of his contributions to the industry, he was awarded Freedom of the City of London and is also a Master Innholder, reflecting his commitment to excellence. Greg's strategic vision and commercial acumen have been instrumental in positioning the Group as a leader in hospitality.</p> <p>External appointments: N/A</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2023</p>	<p>As Founder Eli has been Chairman of the Group since its formation. He has a wealth of experience spanning decades in the construction, design, development, financing, acquisition and management of hotels. Eli has been a major contributor to growth and successful delivery of over £1 billion in hotel assets. Eli Papouchado stepped down as Chairman and as a member of the Board on 9th January 2025.</p> <p>External appointments: N/A</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2007</p>	<p>Yoav Papouchado, Chairman of Red Sea Hotels Limited ('Red Sea'), PPHE's controlling shareholder, has over 30 years of experience of real estate developments and data centres worldwide, developed through his long tenure at Red Sea. Yoav is also a member of the Supervisory Board, and Deputy Chairman of the Supervisory Board of Arena Hospitality Group, the Company's subsidiary listed on the Zagreb Stock Exchange. As alternate Director for Eli Papouchado, Yoav's position terminated on 9th January 2025, when his principal retired from the Board.</p> <p>External appointments: Chairman, Red Sea Hotels Limited; President, Gear Construction; Deputy President of the Supervisory Board, Arena Hospitality Group.</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2020</p>
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Kenneth Bradley
Non-Executive Chairman¹




Nigel Keen
Non-Executive Director & Senior Independent Director



Stephanie Coxon
Non-Executive Director




Marcia Bakker
Non-Executive Director





Roni Hirsch
Non-Executive Director
Appointed January 2025


<p>Ken joined the Board as a Non-Executive Director in September 2019. His role is supporting governance in order to ensure independence in governance and oversight. Ken spent over 20 years with the Royal Bank of Scotland Group in a range of management roles, with a focus on corporate and institutional banking and risk. Ken spent eight years at Barclays Wealth, where he led the banking and trust business in Guernsey and had wider fiduciary banking responsibilities in other locations. Ken has an MBA from Warwick Business School and has completed the Institute of Directors certificate and diploma in Company Direction. 'Ken's title throughout 2024 was Non-Executive Deputy Chairman. This changed on 9th January 2025, when he succeeded Eli Papouchado as Non-Executive Chairman.</p> <p>External appointments: Director of a private fiduciary company and a small Finance Company</p> <p>Board Committees: Nomination Committee (Chair), Audit Committee², Remuneration Committee, ESG Committee² In accordance with provision 24 of the Code, Ken Bradley will not sit on the Audit Committee in 2025.</p> <p>Independent: Yes</p> <p>Year of first appointment: 2019</p>	<p>Nigel joined the Board as a Non-Executive Director in February 2020. As Senior Independent Director, Nigel has responsibility for assessing the role of the Chair, for acting as an independent sounding-board for the other directors, and leading their effective communication and governance of the Company. He is also an important communication channel for shareholders. He is a qualified Chartered Surveyor, with over 35 years of property expertise from site acquisition through to asset management. Nigel headed up the property teams at Tesco where he became Construction Director, and The John Lewis Partnership, where he was Property Director, and served on the Waitrose Board. Nigel is a Non-Executive Director of the construction company RG Carter. He is also Deputy Chairman at the Maudsley Mental Health Charity.</p> <p>External appointments: Non-Executive Director, RG Carter; Deputy Chairman, Maudsley Mental Health Charity</p> <p>Board Committees: Nomination Committee, Audit Committee (Chair), Remuneration Committee, ESG Committee</p> <p>Independent: Yes</p> <p>Year of first appointment: 2020</p>	<p>Stephanie joined the Board as a Non-Executive Director in August 2020. She is a qualified chartered accountant, with over 15 years of capital market expertise. Stephanie was a Capital Markets Director at PwC, where her role included advising asset managers on listing investment funds and real estate investment trusts (UK, Guernsey and Jersey) on the London Stock Exchange. She also advised on ongoing obligations, corporate governance, accounting policies and reporting processes. Stephanie chairs the Audit Committee</p> <p>External appointments: Non-Executive Director on: Apax Global Alpha Limited, FGEN Environmental Infrastructure Limited, International Public Partnerships Limited.</p> <p>Board Committees: Nomination Committee, Audit Committee (Chair), Remuneration Committee, ESG Committee</p> <p>Independent: Yes</p> <p>Year of first appointment: 2020</p>	<p>Marcia joined the Board in December 2022. She is a certified public accountant with over 20 years of experience in audit, finance, executive search and leadership advisory. She has a broad background in finance, with a speciality in financial reporting, and was part of the IFRS and Financial Instrument competence centre at KPMG. During the last ten years, she has combined her finance background with executive search and succession planning for various corporate clients. Marcia chairs the ESG Committee</p> <p>External appointments: N/A</p> <p>Board Committees: Audit Committee, Nomination Committee, Remuneration Committee, ESG Committee (Chair)</p> <p>Independent: Yes</p> <p>Year of first appointment: 2022</p>	<p>Roni was appointed to the Board on 9th January 2025, and so was not serving as a Board director in 2024. Roni serves as the Chief Executive Officer of the Red Sea Group the Company's major shareholder, a role he has held since 1993. Red Sea is controlled by Eli Papouchado, who, together with his family trusts, owns 32.93% of the voting rights in the Group. Roni is a CPA, with a B.A. in Accounting and Economics from Tel Aviv University.</p> <p>External appointments: CEO Red Sea Group</p> <p>Board Committees: N/A</p> <p>Independent: No</p> <p>Year of first appointment: 2025</p>
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Board and Committee membership

 Audit Committee

 ESG Committee

 Nomination Committee

 Remuneration Committee

 Chair

The Co-CEO Greg Hegarty chairs a monthly meeting of our Executive Leadership Team.

The Executive Leadership Team is composed of the Senior Vice Presidents of the Company, and manages day-to-day operations of the Group's businesses, under the supervision of the Board. The Board maintains a schedule of matters reserved to the Board, and sets the financial parameters of the Executive Leadership Team's activities.

Executive Leadership Team remit:

- Recommendations to the Board for strategic priorities, and formulation of forward-looking strategy.
- Design, construction and maintenance of our portfolio of properties.
- Performance management through KPIs, strategic objectives and budget.
- Health, safety and security.
- Customer engagement, product development and brand standards.
- Asset management and capital investment (within parameters set by the Board).
- Procurement and cost efficiency.
- ESG.
- Reputation and stakeholder management.
- Risk management.
- People, culture and values.
- Talent and succession.
- Information technology and cyber.

Executive Leadership Team



Boris Ivesha

President & Co-CEO & Executive Director



Daniel Kos

Chief Financial Officer & Executive Director



Greg Hegarty

Co-CEO & Executive Director



Inbar Zilberman

Chief Corporate & Legal Officer



Robert Henke

Executive Vice President Commercial Affairs



Daniel Pedreschi

Executive Vice President Operations, UK



Michelle Wells

Executive Vice President Operations, the Netherlands & Italy

➔ Please refer to page 104 for the biographies of Boris Ivesha, Daniel Kos, and Greg Hegarty.

Inbar is a key member of the Executive Leadership Team and PPHE's C-Suite and she joined PPHE Hotel Group in 2010. Inbar heads the Group's expansion and development team as well as leading and managing its multi-jurisdictional legal, corporate finance, M&A, Corporate Governance, insurance, compliance, and ESG functions.

Inbar brings expertise in negotiations and deal execution, from exploring, identifying and negotiating new projects in the Group's regions of operation, to deal structuring, financing and planning, strategy and construction set-up.

Prior to joining the Group, Inbar was in the corporate finance team at the law firm Berwin Leighton Paisner LLP (now Bryan Cave Leighton Paisner LLP) in London and formerly a partner at the law firm Bach, Anad, Scharf & Co. Inbar holds an LLB from Tel Aviv University and an LLM from LSE. She is a qualified solicitor in England, Wales and Israel.

Robert is Executive Vice President Commercial Affairs for PPHE Hotel Group and oversees all commercial activities (including Sales, distribution, Reservations, Customer Service, Revenue, Digital Marketing and CRM) as well as Brand Marketing, Guest Experience and Communications (including brand strategy, brand development, management of the Group's strategic partnership with the Radisson Hotel Group and corporate communications).

He has more than 20 years' experience in international hospitality and first joined the Group in 2001, when he was involved in the opening of the Group's hotels in the United Kingdom and the successful implementation of Radisson Hotel Group's marketing programmes and systems. He re-joined the Group in 2007 and since then has significantly developed the central commercial organisation, creating and leading a multi-disciplined, international team of specialists.

Robert has lived and worked in Aruba, Los Angeles and London, and is based at the Group's head office in Amsterdam. Prior to joining PPHE Hotel Group, he held international Marketing positions at Golden Tulip Worldwide and Hilton Hotels Corporation. He holds a bachelor's degree in Hotel Management Business Administration from Hotel school The Hague, with a major in marketing.

Daniel is the Regional Vice President Operations for the United Kingdom for PPHE Hotel Group and oversees all UK hotels, restaurants and bars in collaboration with each individual General Manager, as well as focusing on new properties developments and the general PPHE Hotel Group strategy.

Daniel has been with the Company since 2009, originally taking the position of Hotel Manager at Park Plaza London Westminster Bridge and in 2011 he moved to the General Manager position. In October 2013, Daniel took on the additional role of supporting the Central Reservations Office as a General Manager next to his existing responsibilities. With over 20 years' experience, Daniel's passion for hospitality and attention to detail have always been key drivers in his career. Daniel strives to find improvements to always keep ahead of the competition and enhance our position in the industry.

Michelle has held a number of management positions at PPHE Hotel Group over a period of 12 years, originally joining as General Manager, Park Plaza Sherlock Holmes London in 2007. Michelle moved to the role of General Manager of sister hotel Park Plaza County Hall London in 2014 and then onto Park Plaza Victoria London in 2016.

Promoted to the Regional Vice President Operations, the Netherlands & Italy in 2019, Michelle oversees all operational, revenue, finance, marketing and sales strategic objectives for the region on behalf of seven properties.

Michelle brings a strong operational and commercial background to the business and educational qualifications including the highly acclaimed completion of the General Manager Programme in strategic management at Cornell University in the United States, as well as being a Master Innholder and a holder of the Freedom of the City of London.



Board responsibilities	
Strategy and management	<ul style="list-style-type: none">Define and set the Company's strategy for creating value for all stakeholders, including society as a whole, through sustainable success over the long termMonitor and review performance against strategic objectivesOversee resourcing, ensuring that the tools are available for management and the Group as a whole to meet the Group's objectives and measure performance against them
Structure and capital	<ul style="list-style-type: none">Determine the corporate structure of the GroupSet the management and control frameworkDetermine rules and procedures for dealing in the Company's securitiesStructure and governance of subsidiaries
Financial reporting and controls	<ul style="list-style-type: none">Approve financial and management reportsControl of dividend policy and implementationCapital and operating budget managementMajor capital project oversight
Risk management and internal controls	<ul style="list-style-type: none">Review effectiveness of risk and control processesSet the Group's risk appetiteReport on risk managementOversee and review internal reporting channels, including whistleblowing reports
Environmental, Social and Governance	<ul style="list-style-type: none">Set targets for carbon reduction and other environmental KPIsAim for carbon net zeroOversee ESG strategy delivery <p>Society and workforce culture:</p> <ul style="list-style-type: none">Promote a guest-focused culture in line with the strategy, valuing integrity, transparency and respectEmbed a culture that rewards personal and team performance aligned to our strategic and financial objectives to maintain and attract top talentEnsure sustainable value creation for shareholders and for society as a whole <p>Business ethics:</p> <ul style="list-style-type: none">Control and prevention of corporate offencesEffective management of data protection and privacyConflict of interest managementMaintain policies for good governance and ethical dealingCompliance with the CodeEnsure that workforce policies and practices are both ethical and consistent with the Company's values and long-term objectives, management is capable and effective, and sound planning is in place
Stakeholder engagement	<ul style="list-style-type: none">Build and maintain successful relationships with a wide range of stakeholders, created on trust, transparency and mutual respectUnderstand what matters to key stakeholdersEnsure that the Board engages with stakeholders directlyOversee executive engagement with stakeholders
Performance	<ul style="list-style-type: none">Regularly review the performance of the Group in light of its business strategy, objectives, business plans and budgets, and ensure that any necessary corrective action is taken

Division of responsibilities		
The Code requires a clear separation of powers and responsibilities between the members of the Board. During 2024, the Chairman of the PPHE Hotel Group Board did not meet the requirements of Provision 10 of the Code, the Board ensured that its independence and objectivity were maintained through the work of the Non-Executive Deputy Chairman, the Senior Independent Director and other Non-Executive Directors. The role of each member of the Board carries separate duties and accountabilities, and collectively they ensure effective communication with stakeholders. This table sets out the roles and responsibilities of our senior Executive and Non-Executive Board members.		
	Role	Responsibilities
Boris Ivesha President and Co-CEO	It is the duty of the Co-CEO to conduct day-to-day management of the Group and the implementation of the Board's strategy and policy on the Board's behalf. The Co-CEO provides the executive leadership the business needs. He is assisted by the C-Suite, comprising the Chief Financial Officer and the Chief Corporate & Legal Officer. Additionally, the Executive Leadership Team supports this role and is accountable to it.	Responsibilities are shared between the Co-CEOs. <ul style="list-style-type: none">Leading and managing the businessStrategic implementation in line with the culture, values and purpose of the businessAccountability to Chairman for achieving key objectivesReporting on strategic developmentOversight of Executive Leadership TeamTalent developmentPerformance management of Executive Leadership TeamResource management for Executive Leadership TeamRunning the business and being the key decision-maker on day-to-day Company business
Greg Hegarty Co-CEO	The Co-CEO shares the responsibilities of the President and Co-CEO and is responsible for the management of the Group and the implementation of the Board strategy and policy on the Board's behalf. In discharging his responsibilities, the Co-CEO is advised and assisted by the Executive Leadership Team and key management functions.	
Eli Papouchado*	<p>As founder of the business, the Chairman is responsible for its long-term, sustainable health, leadership and strategic direction through oversight and scrutiny. The Chairman also has the duty of setting the Board's agenda, and ensuring that the Board is effective in its role.</p> <p>The Chairman also holds the Executive Leadership Team accountable for furthering the interests of shareholders.</p>	<ul style="list-style-type: none">Strategic leadership of the BoardEstablishing and maintaining the Company's purpose, values and cultureSetting the agenda and strategic priorities for the BoardSetting key Company objectivesPromoting a culture of openness and debateEnsuring that the Directors are receiving and have access to clear and timely information as needed to make key decisionsEnsuring that the views of key stakeholders are communicated to the BoardMonitoring progress against strategic prioritiesRegular contact with the Company's Executive Leadership Team and relevant function heads to ensure that the Board has access to relevant information and is resourced to carry out the objectives and strategy set by the Board

* Eli Papouchado retired as Chairman and as a Director of the Board on 9th January 2025.

Corporate governance – continued

Division of responsibilities		
	Role	Responsibilities
Ken Bradley* Non-Executive Deputy Chairman	Ensures that the appropriate governance structure is in place and that the functioning of the Board of Directors is effective.	<ul style="list-style-type: none">• Oversees corporate governance for the Board and ensures that appropriate and tailored standards are in force to comply with the Code• As Chair of the Nomination Committee, monitoring the induction programme in place for new Directors as they are appointed• Supporting the Chairman in ensuring that the Directors are receiving and have access to clear and timely information as needed to make key decisions• Oversees annual Board and Committee evaluations and puts in place a plan to act on the results of the evaluation• Consulting with the Remuneration Committee about executive remuneration• Acting as designated non-executive director for workforce engagement• Communicating with key stakeholders and independent shareholder groups, with the support of the Chief Corporate & Legal Officer• Ensures Committee chairs seek shareholder engagement on their Committees' respective areas of responsibility• Ensures each Director has a clear understanding of the views of shareholders.
	Liaises with the Executive Leadership Team and key management positions to ensure that the Board is well equipped to perform its duties and effectively carry out its functions.	
	Provides independent oversight and scrutiny as required by Provision 10 of the Code.	
	As Chair of the Nomination Committee, he is responsible for ensuring the appropriate governance structure and functioning of the Board, as well as conducting the annual Board effectiveness evaluation.	
Nigel Keen Senior Independent Director	It is the duty of the Senior Independent Director to lead the non-executive directors in their oversight and scrutiny roles and provide support and encouragement to them. He must also provide a sounding board for the Chairman and serve as an intermediary for the other Directors and shareholders. Reviews the effectiveness of the Chairman and Non-Executive Deputy Chairman.	<ul style="list-style-type: none">• Shareholder engagement, including providing a channel for shareholder feedback on executives and governance issues in the Company• Support of the Chairman in delivering strategic leadership of the Board• Evaluating the effectiveness of the Chairman on behalf of the other Directors• Support annual Board evaluation• Challenging the Board where relevant to help in developing proposals on strategy and objectives• As Chair of the Remuneration Committee, ensures, with the Deputy Chairman and the members of the Remuneration Committee, that there is a clear relationship between remuneration and performance, measured with clear reference to the long-term success of the Company• Challenging the Board where relevant to help in developing proposals on strategy and objectives• Taking the lead in identifying and providing for the development needs of the non-executive directors to enhance the overall effectiveness of the Board• As Chair of the Remuneration Committee, is responsible for ensuring that all remuneration proposals are put before the Committee for approval, and placed on the agenda of the next general meeting for an advisory vote by shareholders• Owns the Remuneration Policy, which is kept updated, and subject to a shareholder vote once every three years

* Ken Bradley became independent, Non-Executive Chairman on 9 January 2025.

Corporate governance

As of 31 December 2024, the Board was composed of eight Directors (with an alternate for the Chairman). Three Directors are Executive Directors, and five are Non-Executive Directors (including the Chairman). The Executive Directors are: the President and Co-CEO, Boris Ivesha; the Chief Financial Officer, Daniel Kos; and the Co-CEO, Greg Hegarty. The former Chairman, Eli Papouchado, was not considered independent, within the meaning of Provisions 9 and 19 of the Code as he is a Red Sea Party (please see page 153 for a definition of Red Sea Party in the Directors' Report as required by the Disclosure Guidance and Transparency Rules). All Board members are subject to annual re-election by shareholders at the Annual General Meeting.

Balance of independent Non-Executive Directors

The Code requires that at least half of the Board, excluding the Chairman, be made up of independent Non-Executive Directors, and that no one individual or group should be allowed to dominate decision-making.

After due consideration was given to all factors that are likely to impair, or appear to impair, the independent judgement of each Director, the Board concluded the following:

There are four independent Non-Executive Directors: Kenneth Bradley, Nigel Keen, Stephanie Coxon and Marcia Bakker.

Eli Papouchado, Yoav Papouchado, Roni Hirsch and Executive Board members are not independent. Changes to the Board as of 9 January 2025 are set out on page 102.

Board activities in 2024

Strategy, operational performance and risks

- Conducted Directors' Strategy Day as a successful annual exercise in strategic leadership and direction
- Operational updates from the Executive Leadership Team – regular periodic updates received and reviewed
- Potential growth and development – see Strategy on page 28 – regular updates on the growth opportunities discussed
- Principal risk oversight – see page 90 for the business's principal risks.
- Regular Board-level oversight of risk management
- Internal and external audits: outputs of audits received at Board level
- Performance of internal and external auditors evaluated

Succession and talent

- Approved a new Remuneration Policy to be presented to shareholders for an advisory vote during the 2025 Annual General Meeting
- Reviewed gender balance of the Company and senior management, and Board Diversity Policy
- Maintained succession plans for the Board, and oversaw plans to ensure continuity in senior management talent retention, development and acquisition
- Regularly reviewed structure, size and composition of the Board
- Received and considered the results of an externally conducted review of the effectiveness of the Board and its composition (including skills, knowledge, experience and diversity) performed by Independent Audit Limited

Financial performance

- Chief Financial Officer and head of risk and internal audit regularly reported to the Board
- Performance against budget reviewed in detail, including cash-flow forecasts
- Reviewed and approved the full- and half-yearly results and associated announcements and the trading updates
- Considered interim and final dividend recommendations and declarations
- Reviewed compliance with banking facilities

Stakeholder engagement and governance

- Received regular reports from the Chair of each Committee
- Received regular reports and updates from the Company Secretary and from the Chief Corporate & Legal Officer
- Reviewed governance standards of the Group and its subsidiaries, including key governance policies and matters reserved to the Board
- Oversaw incident management through receipt of reports received through implementation of the Whistleblowing Policy and other control framework measures
- Reviewed and approved updates to the Significant and Related Party Transactions Policy
- Responded to investors collectively in announcements following votes at the Annual General Meeting, and individually in exchange of correspondence
- Non-Executive Directors attended staff meetings as observers
- Reviewed HR plan
- Review of staff surveys
- Site visits

Corporate governance – continued

Board policies and matters reserved to the Board

Our Board reserves to itself governance of the Company in line with statutory obligations and fiduciary duties. In particular, the Board maintains a number of powers (Reserved Powers) which are not delegated to Committees of the Board or to the Executive Leadership Team. These include:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- oversight of management and personnel matters;
- risk assessment and management, including reporting;
- monitoring, governance and control; and
- other matters having material effects on the Company.

Transparency and accountability are maintained by processes and procedures set out in documents reserved to the Board, including:

- Articles of Incorporation;
- Schedules of Matters Reserved for the Board; and
- Board Committee Terms of Reference.

Each Director may obtain independent professional advice at the Company’s expense in the furtherance of their duties as a Director. The Board and the Committees of the Board have access to legal support from the Chief Corporate & Legal Officer, external law firms, and other specialist consultancies, such as remuneration consultants and recruitment specialists. Wherever such third party consultants are engaged, they are identified in this report in line with the requirements of the Code.

The Board reviews all governance policies and Terms of Reference periodically to ensure that the policies remain current and appropriate to the needs of the Board and Company.

Conflicts of interest

The Board and all team members are required to comply with two policies: the Conflicts of Interest Policy and the Significant and Related Party Transactions Policy. These policies are reviewed annually, and compliance training is regularly refreshed. Training was provided to Board Directors following changes to the UK Listing Rules that were implemented in 2024, and the Significant and Related Party Transactions Policy updated accordingly.

The two policies require that anyone with a potential conflict of interest promptly and without delay observes a formal procedure for reporting it, and having it reviewed by the Board with support from the Chief Corporate & Legal Officer. A Director affected by a conflict of interest is not permitted to participate in formal discussions and decision-making involving the interest at stake. The Board does not believe there to be any inherent conflicts of interest other than ones already disclosed by each Director. Any statutory duties under Guernsey law that are in addition to the Conflicts of Interest Policy are complied with by the Directors.

Exercising oversight and ensuring adequate time to carry out duties

The annual timetable for Board meetings and meetings of the Board Committees is designed to allow each and every Board member to discuss and debate matters. There is a timetable set for the submission of papers prior to meeting so that Directors have ample time to familiarise themselves with the agenda and prepare for the meetings. All Directors are expected to contribute in all meetings to ensure proper oversight and diversity of perspectives and opinions. Non-Executive Directors are required to demonstrate that they have sufficient time to fulfil their duties and are accountable to the Non-Executive Deputy Chairman and Senior Independent Director for this. The Chair of the Nomination Committee monitors external appointments for all Board members to ensure sufficient capacity. If a Director wishes to take up an external appointment, he or she must obtain prior Board approval.

Such requests will be assessed on a case-by-case basis, including whether the appointment could negatively impact the Company, taking into account external guidance and proxy voting guidelines to ensure ‘overboarding’ is considered.

Oversight requires all Board and Committee members to ensure that they have considered (and, where relevant and lawful, solicited) the views of relevant stakeholders regarding the issues to be discussed at meetings.

Resourcing the Board to ensure that it meets its objectives and measures performance against them

At all times, all Directors have access to the Chief Corporate & Legal Officer to ensure that they have appropriate, legally informed advice on all governance matters.

Chief Corporate & Legal Officer and company secretarial support

The Chief Corporate & Legal Officer and the Company Secretary, Suntera Limited, provide important support functions to the Board and its members. As a member of the C-Suite, the Chief Corporate & Legal Officer is required to ensure that internal governance arrangements below Board level for the workforce are aligned to the directions of the Board and the risk appetite of the Company as determined by the Board.

Responsibilities of the Chief Corporate & Legal Officer to the Board
• Ensures compliance with the Financial Conduct Authority’s UK Listing Rules (UKLR) and Disclosure Guidance and Transparency Rules (DTR)
• Responsible for information flow to the Board (via the Company Secretary)
• Advises and supports the Chairman and Board on all governance matters
• Ensures that all Directors have access to the advice and services of internal lawyers and external, independent professional legal advice at the Company’s expense in furtherance of their duties
• Oversees and advises the Board on the Company’s corporate governance practices, policies and procedures with respect to statutory and other corporate governance frameworks
• Ensures that the Board is adequately resourced for effective and efficient function
• Supports the ESG Committee of the Board in the formulation and execution of the Group’s ESG strategy

Responsibilities of Company Secretary to the Board (Suntera Limited)
• Provides compliance support with respect to the Companies (Guernsey) Law 2008 (as amended or replaced from time to time)
• Maintains the Board and Committee meeting diary and agenda
• Ensures that the Board receives accurate, timely and clear information prior to meetings
• Ensures that, prior to Board meetings, Directors receive all necessary information to facilitate open, constructive discussion and debate
• Ensures that the Board is adequately resourced for effective and efficient function (alongside Chief Corporate & Legal Officer)

Board Performance Review

The Board appointed Independent Audit Limited to conduct an evaluation of its performance. The Board Performance Review cycle is a three year cycle, with internal evaluations conducted in years 1 and 2, and an external evaluation conducted in the third year of the cycle.

Independent Audit Limited is completely independent of PPHE Hotel Group, provides no other services to the Company and has no connection with the Board, individual Directors or members of the Executive Leadership Team. Independent Audit Limited performed the external Performance Review in 2021.

The purpose of the evaluation is to establish the effectiveness of the Board, the Directors and the Committees of the Board in discharging the functions required of them by law, by good corporate governance practice and by the internal frameworks of the Company. It includes consideration of the tenure of each Director, and their skills, experience and length of service. It also includes an assessment of each Director’s external responsibilities to ensure that they are able to commit sufficient time to discharge their duties effectively.

The evaluation covered the full scope of the Board and each Committee’s work, providing recommendations, suggestions and an overall assessment of effectiveness. A summary is included in the table on page 123.

Annual Committee assessment

Each Board Committee is assessed annually to ensure that it is functioning in line with the relevant terms of reference and mandates set by the Code. Annual review of governance documents is a requirement of best practice. A summary of the external performance review for the Board Committees is included on page 123 in the report of the Nomination Committee.

Corporate governance – continued

Board meetings: Procedures

Notices and review of any conflicts arising	The notices of Board meetings, agendas and supporting documents are formally circulated to the Board in advance of Board meetings as part of the Board papers. Therefore, Directors have the opportunity to request that any agenda items be added that they consider appropriate for discussion.
Notices and review of any conflicts arising	At the beginning of each meeting, each Director must disclose the nature and extent of any conflict of interest arising generally or in relation to any matter to be discussed as soon as the Director becomes aware of its existence. Directors must also disclose their shareholdings and any changes to those that have occurred.

Standing agenda items	(1) Strategy (2) Management updates from: <ul style="list-style-type: none">Executive DirectorsExecutive Leadership Team (3) Updates on corporate governance by Non-Executive Deputy Chairman (supported by the Chief Corporate & Legal Officer)
Non-members in regular attendance	Chief Corporate & Legal Officer, Suntera Limited (Company Secretary)
Board succession planning	Regular Executive Leadership Team attendance of Board meetings is part of our succession plan (internal talent development).

Board meetings – establishing and promoting a culture of debate and diversity

The Board values diversity of opinion and differing viewpoints in executing its responsibilities. The Chairman ensures that time is made available for all opinions to be heard. In particular, the Board values a clear separation of responsibilities between the Executive Leadership Team and the leadership provided by the Board. This ensures proper oversight, informed debate and diversity of thought.

Each member of the Executive Leadership Team oversees certain defined departments of the business and reports on the progress of these areas to the Board as and when relevant. The Company believes that this structure ensures effective communication between the Board and the Executive Leadership Team of the Company's business, and that no small group of individuals dominates the Board's decision-making.

Any concern expressed by Directors about the Company or its subsidiaries, or a proposed action, is recorded in the minutes of the meeting. Additionally, the Senior Independent Director takes responsibility for ensuring that all viewpoints are available to the Board.

Communication between the Board and the Executive Leadership Team

Management, including the Executive Leadership Team, reports to the Co-CEOs, whom the Board has made responsible for oversight and performance management. The Co-CEOs report to the Board on this.

Greg Hegarty, Co-CEO chairs a monthly meeting of our Executive Leadership Team, which is composed of the Executive Vice Presidents of the Company and manages day-to-day operations of the Group's businesses, under the supervision of the Board. The Board maintains a schedule of matters reserved to the Board, and in addition sets the financial parameters of the Executive Leadership Team's activities.

The C-Suite had monthly business update calls with the Non-Executive Directors in 2024. Further, the Non-Executive Directors conduct sub-meetings following the business update calls without others in attendance, to ensure good oversight, and have established a permanent forum to ensure that information flows and transparency were well maintained. This enables the Board to effectively carry out its duties and make swift decisions. Open communication between the Non-Executive Directors and C-Suite has been found to be very effective as it allows the Non-Executive Directors to engage directly to ensure that management takes corrective actions in a timely manner.

Culture and values

The Board sets the culture and values of the business and works to engage with all stakeholders to communicate and promote the culture and values. This requires the Board to review annually policies which maintain the culture, values and facilitate the business ethics of the Company. Policies set out the behaviours required of people working within our Board, management and operations, and aim to empower people by providing them a framework and guidance. When reviewing policies, the Board takes account of developments in the law, in stakeholder expectation, and best practice to ensure a strong framework optimised to the specific needs of the business.

Through the ESG Committee, the Board has committed to rigorous targets in environmental and social performance. These are set out in detail in the ESG section and in the report of the ESG Committee. Important ESG policies remain reserved to the Board, such as the Conflicts of Interest Policy, the Significant and Related Parties Transactions Policy, and the Whistleblowing Policy. These are reviewed and refreshed annually.

The Board takes steps to monitor the culture within the organisation. The following tools allow the Board to keep abreast of workforce culture:

- Engagement surveys;
- Online guest reviews;
- Social media;
- Employer review sites;
- Compliance training records; and
- Hotel audits.

Data from these sources is available at Board level to monitor the health of the culture within the business. Aligning culture to the values and purpose of the business is key to success.

Workforce engagement

Provision 5 of the Code specifies mechanisms for ensuring Board workforce engagement. In line with that provision, the Non-Executive Deputy Chairman, Ken Bradley, is the designated Non-Executive Board member responsible for workforce engagement.

Our team members' loyalty and dedication are vital to the long-term, sustainable success of the business. They understand our passion to create the best possible experiences for our guests. This is reflected in the ESG targets to further workforce engagement and employee development in order to attract and retain talent at all levels.

HR partners attend the Nomination Committee at least once a year.

Board site visits

The Non-Executive Directors conduct hotel and corporate office visits to interact with staff and experience customer service. Some visits involve staff meetings and feedback is given to the Board by the Non-Executive Directors. Non-Executive Directors site visits can also involve attending staff meetings. Feedback is given to the Board.

Engagement surveys

Some team members prefer to offer their feedback anonymously, rather than face-to-face. Let's Talk, our engagement surveys, allow us to monitor employee engagement and other important matters, such as employee awareness of ESG.

Engagement surveys took place online on an anonymous basis and were conducted by an external partner. The overall responses to the engagement questions were positive. The Board monitors this process.

Board and Committee meetings

In accordance with the Code, the Company has established the following Committees in order to support the Board and carry out work on its behalf:

- Audit Committee
- Nomination Committee
- Remuneration Committee

In line with investor priorities, and to ensure good governance, the Company has established the ESG Committee.



Strategy. Purpose. Culture. Communications.

The Board sets the strategy and commercial vision, leading with integrity, promoting culture. It evaluates management, overseeing resources and talent pipeline, engaging with key stakeholders.



Develops. Plans.
Evaluates.
Nominates.

Oversees current needs and evaluates, plans for the future, monitors, advises, and nominates candidates.

- Ensures that the Board has a balance of skills, knowledge, diversity and experience
- Board and Committee composition
- Board nominations
- Succession planning for Directors
- Succession planning for senior management

➔ Report available on page 119



Transparency.
Accuracy.
Monitors. Aligns.

Oversees risk management, internal controls, audit functions and financial systems. Monitors the integrity of the Group's financial statements and internal controls of the Company.

- Monitors and reviews the integrity of the Group's half-year and full-year financial results, and the financial reporting process
- Oversees risk management and reviews the effectiveness of the Group's systems of internal controls and risks
- Oversees ethics and compliance for the Company
- Reviews and oversees the Group's internal and external audit functions

➔ Report available on page 126



Values.
Culture.
Talent proposition.

Oversees alignment of remuneration and workforce policies to the long-term success of the Company and its values.

Responsible for Remuneration Policy and for setting salary and bonus levels for senior management and employee benefit structures.

- Remuneration Policy
- Sets targets and incentive schemes
- Executive Leadership Team and senior management remuneration review

➔ Report available on page 135



Future plans.
Safeguards.
Sustains.

Oversees the approach to sustainability and adding value for our people, our places and our planet.

Responsible for reviewing statutory reporting on environmental and social performance, and proposing strategy and targets to the Board.

➔ Report available on page 133

Terms of reference for each Board Committee are available on the Company's website.

Board and Committee membership as at 31 December 2024

Eli Papouchado				
Yoav Papouchado				Alternate Director
Boris Ivesha				
Daniel Kos				
Greg Hegarty				
Roni Hirsch				Appointed January 2025
Ken Bradley			C	
Nigel Keen				C
Stephanie Coxon	C			
Marcia Bakker		C		

ESG Committee

Audit Committee

Remuneration Committee

Chair

Nomination Committee

Board and Committee meeting calendar 2024

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A	B	B		B	B	B	B	B		A	B
R	B			A			A			E	
	A			E			E			N	
	E			N			N			R	
	N			R			R				
	R										
	E										

B

B

A

E

N

R

E

Quarterly Board meeting

Ad-hoc Board meeting

Audit Committee meeting

ESG Committee meeting

Nomination Committee meeting

Remuneration Committee meeting

Annual General Meeting

Extraordinary General Meeting

Committee meeting

Board and Committee meeting attendance 2024

If any Director is unable to attend a meeting, they communicate their opinions and comments on the matters to be considered via the Deputy Chairman or the relevant Committee Chair. This table provides full information on Board and Committee meeting attendance in 2024. Not all directors were required to be present at every ad-hoc Board meeting. Each ad-hoc Board meeting and Committee meeting was quorate.

Name	Quarterly Board meetings	Ad-Hoc Board meetings	Audit Committee meetings	ESG Committee meetings	Nomination Committee meetings	Remuneration Committee meetings	Committee meetings
Eli Papouchado	1/4	0	–	–	–	–	N/A
Yoav Papouchado	3/3	4	–	–	–	–	N/A
Boris Ivesha	4/4	2	–	–	–	–	N/A
Daniel Kos	4/4	5	–	–	–	–	N/A
Greg Hegarty	4/4	4	–	–	–	–	N/A
Marcia Bakker	4/4	4	5/5	4/4	4/4	5/5	1/11
Ken Bradley	4/4	4	5/5	4/4	4/4	5/5	6/11
Stephanie Coxon	4/4	3	5/5	4/4	4/4	5/5	7/11
Nigel Keen	4/4	5	5/5	3/3	4/4	5/5	4/11



Ken Bradley
Non-Executive Chairman
to the Board of Directors

Membership of the Nomination Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Ken Bradley (Chair)	4	4
Marcia Bakker	4	4
Stephanie Coxon	4	4
Nigel Keen	4	4

Nomination Committee report

Letter from the Chair of the Nomination Committee

Dear Stakeholder,

As its Chair, I am pleased to present to you the report of the Nomination Committee for 2024. Good governance is achieved by assembling a diverse Board with the requisite expertise, and with this in mind, we have worked to deliver on the priorities of stakeholders and the Corporate Governance Code 2018. Our focus is on succession planning and ensuring a strong pipeline of candidates for leadership roles across the organisation, with a focus on a broad array of backgrounds and fields of expertise.

Succession planning

PPHE Hotel Group has always relied on its founders for their inspirational leadership and strategic mindset for its success. It is important to me in my role to ensure independent oversight that this secret of success is balanced by diverse, regularly rotated and independent oversight and leadership. The Code mandates obligations for the Chairman of the Company, some of which I discharged in 2024 as Non-Executive Deputy Chairman because I maintain the independence criteria required by the Code. It is our joint responsibility to represent shareholders' and other stakeholders' interests to the Executive Leadership Team, which ultimately secures shareholder confidence in the long-term sustainability of our business model.

The tables on pages 123 and 124 present our reporting of Board composition with respect to protected characteristics (as defined by the Equality Act 2010).

Our Board does not yet meet the female representation targets set out in the FTSE Women Leaders Review and the UK Listing Rules. This is partly because we do not control the use of shareholder powers to appoint Board members, which falls outside our plan for diversity. In addition, because of the international character of our Board, we find our mandatory reporting on diverse ethnicity in line with UK categorisations of ethnicity challenging. When so few of our Board are of UK origin. We have Directors from widely varying backgrounds which brings cognitive diversity.

Succession planning is key to ensuring that there is a roadmap internally to meeting these targets, and we are able to demonstrate to stakeholders that we take seriously the need to meet them as and when new appointment opportunities arise.

The implementation of our succession planning strategy for 2024 has resulted in my own appointment as Chair of the Company. In January 2025 (post balance sheet) we also welcomed Roni Hirsch of the Red Sea Group to the Board, in line with our Relationship Agreement.

Board composition

Two of our eight Directors are female, and none occupy the key positions of Chair, CEO, CFO, or Senior Independent Director. This is a by-product of the long-standing composition of the Board, with a number of experienced Directors who have provided essential stability and strategic guidance over many years. However, the Board is committed to prioritising diversity in future appointments. When the Company next recruits for Non-Executive Director roles or executive positions, diversity will be a key consideration to align with the UK Listing Rules and reflect the Company's commitment to fostering inclusion.

Nomination Committee report – continued

While progress at the Board level is ongoing, the Company is proud of its representation below the Board, particularly within the Executive Leadership Team, where there is one-third female representation. Furthermore, there is strong and fair female representation across leadership roles throughout the Company. Women are prominent in the executive leadership of the business, comprising 50% of the Executive Leadership Team reporting to the Executive Directors (see page 106). The Board remains committed to promoting diversity and will ensure this remains a core priority as part of its long-term succession planning.

Our Board is led by an independent, non-executive Chairman. Composition is explained on page 104 and 105. The Founders of the business maintain rights to appoint Directors as set out in the Articles of Incorporation set out on the Company website. Under the Articles of Incorporation the founders, as major shareholders may appoint Directors to the Board as follows:

Euro Plaza Holdings B.V. ('Euro Plaza') may:

- nominate two Non-Executive Directors to the Board for so long as Euro Plaza and its associates directly or indirectly control at least 30% of the issued shares in the Company; and
- nominate one Non-Executive Director to the Board for so long as Euro Plaza and its associates control at least 10% but less than 30% of the issued shares of the Company.

Euro Plaza is ultimately controlled by Eli Papouchado.

Boris Ivesha may nominate one Non-Executive Director to the Board for so long as he directly or indirectly controls at least 10% of the issued shares in the Company.

The shareholders may, by ordinary resolution, resolve to remove any Director before the expiration of his or her period of office and appoint a replacement Director.

All our Board Directors are subject to annual election or re-election by shareholders at the Annual General Meeting ('AGM'). At the date of publication, the Non-Executive Chairman and other Non-Executive Directors with the exception of Roni Hirsch are independent from the business.

They are regularly refreshed to ensure that independence is maintained, and diversity and fresh perspectives are welcomed onto our Board. Executive Directors are responsible for the day-to-day operations of the business. They are led by our President and Co-CEO Boris Ivesha and Co-CEO Greg Hegarty.

Throughout 2024, the composition of our Board remained the same. As set out in the Chairman's Statement, post balance sheet, in January 2025, we have welcomed Roni Hirsch to the Board as a Non-Executive Director. Other changes to note in Board composition are as follows:

- (1) Greg Hegarty's promotion to co-CEO in February 2024;
- (2) Marcia Bakker's assumption of the Chair of the ESG Committee in January 2024 (replacing me as Chair, although I remain a member of the Committee);
- (3) Nigel Keen's joining of the ESG Committee in January 2024; and
- (4) (post balance sheet) the retirement of Eli Papouchado from the Non-Executive Chairmanship of the Board and my own appointment to the role in January 2025.

With new appointments to the Board and new responsibilities for Board members, it is important to have ongoing measures to ensure that Directors have the familiarity and expertise they need to provide effective oversight. This includes:

- periodic training on Directors' duties, (including on changes to the regulatory regime), which were conducted in 2024 by our external law firm providing corporate law support, Norton Rose Fulbright;
- site visits by Non-Executive Directors to the business's various locations to ensure familiarity and workforce engagement; and
- ongoing review to ensure that Directors have all the training and resources necessary to discharge their responsibilities of ensuring full accountability and oversight.

The Committee is composed of four independent Non-Executive Directors. Each Director is individually, and the Board is collectively, subject to an annual evaluation. This evaluation considers the independence of each Director. No member of the Nomination Committee is considered to have a personal financial interest in matters to be decided by the Committee.

The Committee's performance, effectiveness and composition is reviewed annually as part of the Board Performance Review. In 2024, this review was conducted externally by Independent Audit Limited. A summary of its conclusions can be found on page 123.

Looking ahead

With the outgoing Chairman's decision to step aside, we rely on our strong succession planning to ensure that, as far as possible, we retain continuity with his vision for the Company, and the unrivalled skills, experience, network and insight the Company has relied on for many years for its success. I consider succeeding Eli Papouchado to be both an honour and a challenge, and I am focused on the duties the Code requires of an independent Chair. Assisting me in this new challenge is a strong and balanced team in place to deliver the leadership the business needs for a strong strategy for success. We have been rewarded by shareholders with their confidence in the measures taken by leadership to ensure a secure future. I look forward with anticipation to further success in 2025.



Ken Bradley
Chair of the Nomination Committee

Nomination Committee activities and focus in 2024

Function	Actions in 2024
Board and Committee Composition	<ul style="list-style-type: none">• Reviewed the composition of the Board to determine that it remains suitable and effective to support the culture, values and strategy of the business.• Conducted the annual Board evaluation in line with the three-year cycle of external assessment. Independent Audit Limited supported this process.• Reviewed the effectiveness and performance of the Committee.• Ensured that policies and procedures for Diversity, Equity and Inclusion (DEI) at all levels of the organisation were maintained.
Succession planning for Board and Executive Leadership Team	<ul style="list-style-type: none">• Maintaining ongoing review and annual update of succession planning for:<ul style="list-style-type: none">(a) Board Directors; and(b) Executive Leadership Team.
Diversity & talent management	<ul style="list-style-type: none">• Ensured diversity requirements in succession plans.• Considered KPIs for monitoring DEI elements of the ESG strategy.
Workforce engagement	<ul style="list-style-type: none">• Conducted site visits.• Reviewed outputs of employee engagement, and incorporated targets into the ESG strategy.

Board induction

I am responsible, alongside the Chief Corporate & Legal Officer, for ensuring that new appointees to the Board receive a tailored and comprehensive induction to familiarise them with the Company's strategic aims, purpose, operations, regulatory climate, stakeholders, Directors' duties and governance practices. We tailor our programme taking into consideration the Director's previous Board experience, expertise and familiarity with the real estate and hospitality industries. The induction process includes two interviews with myself before the programme commences and mid-way to identify any gaps. This is also the procedure supporting Roni Hirsch's appointment as Non-Executive Director.

The induction process should introduce the new appointee to key stakeholders and the culture of the Board and the Company as a whole. The induction also allows new appointees to gain an appreciation of their role in the success of the Company, how the Company measures success and the expectations of all key stakeholder groups. The induction must be tailored to the individual Director without neglecting the key elements of our induction programme. Our two newest Directors' inductions reflected this, as will the programme to be followed by Roni Hirsch. Serving as CEO of Red Sea Group, the Company's controlling

shareholder, and having been with Red Sea Group since 1993, Roni is very familiar and engaged with the Group. His induction will focus on his legal responsibilities in the UK and Guernsey context. Greg Hegarty has a long-standing familiarity with the business, and therefore his induction focused on training on Directors' legal duties and responsibilities. Marcia Bakker has a strong grounding in corporate governance, with long experience in several EU jurisdictions. Her induction focused on familiarisation visits across the business, and training in UK and Guernsey Directors' duties.

Succession planning

Responsible corporate governance and stakeholder feedback mean that succession planning is a key focus for the Committee. The business's success rests on the contribution of key individuals in its Executive Leadership Team, including the founders of the business, and many individuals whose careers have developed within the organisation. We are proud of the success of our pipeline, but we recognise that diversity of backgrounds and experience is a key strength, and strong succession planning is a key requirement in stakeholder confidence that decision-making is not dominated by any one individual, or that a strong corporate culture does not decay into 'groupthink'.

Board succession planning

The main focus of the Nomination Committee in 2024 has been on evaluating the composition and functioning of the Board in light of the new Board members as well as roadmapping a succession plan addressing the Committee's short-term, medium-term and long-term concerns and different contingencies.

Given the regular interaction between the Board and the Executive Leadership Team, the Committee has the required exposure to evaluate internal candidates when planning for different succession eventualities. The Committee's succession planning process is aligned with the Group's entrepreneurial culture which fosters the growth and support of team members from varying positions within the Company through to leadership level and is, therefore, engineered to produce internal candidates who may be suitable for positions on the Board, as well as considering external candidates when appropriate with the assistance of external specialist search consultants.

As informed by the Committee's succession plan and its evaluation of the balance of skills and diversity on the Board, the Nomination Committee determined that no new Directors should be appointed in 2024, but that Roni Hirsch should be appointed as Non-Executive Director following the retirement of Eli Papouchado in 2025. The vacancy on the Board has been determined by the decision of the Chairman to step aside. Given the position the outgoing Chairman holds as a major shareholder, this was a prime consideration in ensuring that shareholder interests are fully represented on the Board. Roni Hirsch's appointment was made under the power given to Euro Plaza under its Relationship Agreement with the Company and set out in the Articles of Incorporation.

As an important element of the succession planning programme, consideration is also given to the length of service of Board members.

The Board believes that, in its current composition, it has the right combination of skills, experience and knowledge, and remains effective and entrepreneurial.

Nomination Committee report – continued

Executive Leadership Team succession planning

Executive Leadership Team succession planning is, itself, a key part of the Board succession planning process. Individuals whose contribution to executive leadership can be considered for appointment to the Board where this is deemed necessary and appropriate for the business. It was this determination that led to the appointment of Greg Hegarty in 2023.

PPHE Hotel Group has benefited from a strong talent pipeline. Our Executive Leadership Team all have long histories within the business, and many have reached their current seniority through ‘rising through the ranks’. Ensuring the ongoing success of this talent pipeline is a key business priority. The Committee works closely with the Vice-President of Human Resources & Talent Technology on all aspects of recruitment and development of talent.

The Senior Vice President of Human Resources & Talent Technology documents the key skills of the current holders of senior positions in order to ensure that, in the event an individual needs to be replaced by the business, their contribution can be smoothly transitioned. Succession planning is divided into short- and long-term planning, which is defined by the immediacy of the need to fill any vacancy. Short-term plans are triggered by an event such as a resignation or other unforeseen departure.

In addition to focusing on individuals, the organisational structure of roles and reporting lines within the business is kept under review to ensure that it continues to deliver the business’s needs. Periodically, this is externally assisted, and takes into account the needs of various stakeholders, not least our affiliate partner, Radisson Hotel Group.

The Group’s ESG strategy feeds into our succession planning. I am the Board member responsible for workforce engagement, and we have several strategic objectives for our team members under the ‘social’ pillar of the ESG strategy. This enables us to include DEI elements into the strategy.

Position of the Chairman of the Board

The retirement of Eli Papouchado, and my assumption of the role of chair took place in January 2025. The Code places significant responsibilities on the Chairman for accountability to shareholders and representation of their interests. For this reason, consideration is given at all times to ensuring that an appropriate person occupies the role, and provisions are made for both short- and long-term succession periods. As well as my replacing Mr. Papouchado as the Chairman, the decision was taken to appoint Roni Hirsch, CEO of the Red Sea Group, to the Board. Please see the Directors’ report on page 143 for the relationship between the Red Sea Group and PPHE Hotel Group.

Board Performance Review

PHE’s Board Performance Review follows a three year cycle, with internal reviews conducted in years 1 and 2, and an external review conducted in the third year of the cycle. The cycle requires that each year, assessment is made of the Board and its Committees in each of the following areas:

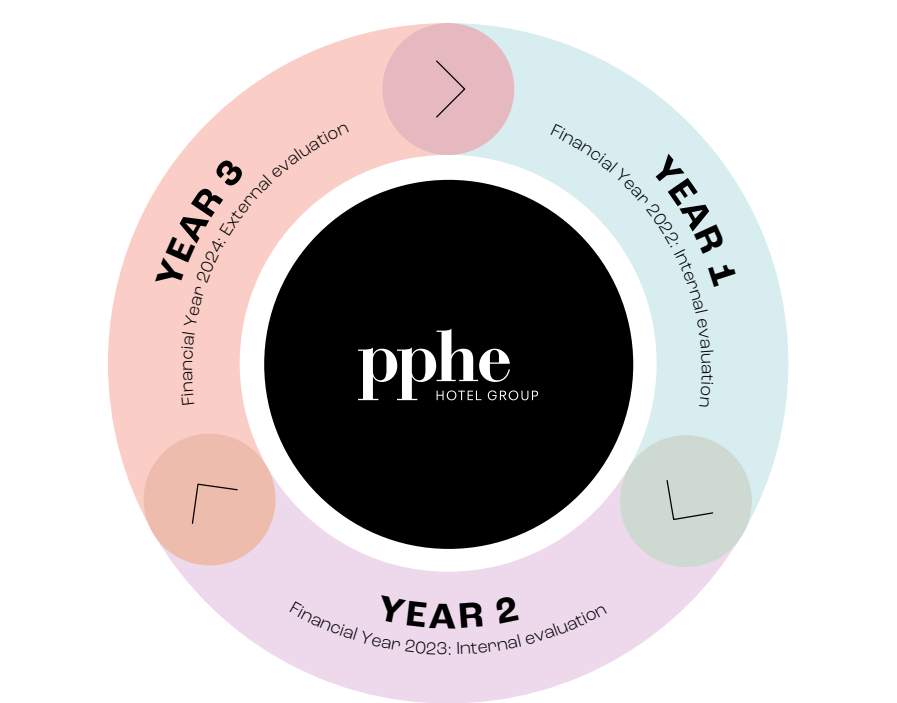
- Performance;
- Composition;
- Diversity; and
- Group dynamics and their impact on objectives.

Individual directors are assessed on their personal contributions to meetings and to the discharge of the collective responsibilities of the Board and Committees. The Board appointed Independent Audit Limited to conduct a review of its performance in this the third year of the cycle. The appointment process was led by the Non-Executive Deputy Chair. Independent Audit Limited is a signatory to the Chartered Governance Institute’s Code of Practice for independent board reviewers. It is completely independent of PPHE Hotel Group, having no relationship with the Board or members of the Executive Leadership Team. It previously conducted external performance reviews in 2018 and 2021; independence and objectivity has been maintained by varying the team composition each time.

The review considered all aspects of the effectiveness of the Board, the directors and the Committees of the Board in discharging the functions required of them by law, by good corporate governance practice and by the internal frameworks of the Company. It included consideration of the tenure of each Director, and their skills, experience and length of service. It also included an assessment of each Director’s external responsibilities to ensure that they are able to commit sufficient time to discharge their duties effectively. The review also considered the diversity of the Board and whether it has the necessary mix of skills, knowledge and expertise. No relevant suggestions for change were made. The review was overseen by the Non-Executive Deputy Chair of the Board, who was responsible for providing the external reviewer with the necessary access and support. The main elements of the review process were:

- Preliminary discussion with the Deputy Chair and Chief Corporate & Legal Officer
- Gathering feedback about the performance of the Board and Committees from all Board members and a number of executives
- Observation of Board and Committee meetings
- Review of the relevant papers for the observed meetings
- Discussion of the draft report with the Deputy Chair, the Chief Corporate & Legal Officer and the CEO
- Discussion of the final report with the full Board

The final report to the Board identified both strengths and opportunities for improvement, along with Independent Audit Limited’s suggestions for the Board to consider. The principal outcomes are summarised in the table. Independent Audit Limited has reviewed and agreed this description of the review process and outcomes.



Review subject 2024 Priorities and Outcomes	
The Board	<p>Notable strengths identified by the review:</p> <ul style="list-style-type: none">• Information flow is rated highly by Board members, with a new format to the monthly call between senior leadership and the Board working well.• The Strategy Day was also highly rated as an exercise.• The Board has an open culture with no concerns about either giving or receiving “bad news”.• Risk management has shown strong year on year improvement, and notable successes in approach and practical benefits to the business. <p>Principal areas for development:</p> <ul style="list-style-type: none">• Reconsider how time is used in Board meetings to enable more strategic-level discussions.• Develop the form and content of Board papers to facilitate higher-level discussion and achieve greater efficiency of oversight.
Audit Committee	<ul style="list-style-type: none">• The Audit Committee has played a positive part in the sustained improvement of the company’s risk management.
ESG Committee	<ul style="list-style-type: none">• While this Committee is functioning well, there is the opportunity for greater clarity around its role and purpose. With greater clarity it will be evident where changes in the Committee’s work would be helpful to achieving those objectives.
Nomination Committee	<ul style="list-style-type: none">• The Committee could usefully give more time and attention to Director development
Remuneration Committee	<ul style="list-style-type: none">• There is an opportunity to broaden the scope of the Committee’s activity to cover company-wide pay and employment policies

Board diversity

Shareholders require diversity amongst Board members to ensure that the business is led by a group of varying backgrounds and expertise, without a single, dominant presence in the form of an individual or class of individuals potentially distorting decision-making in their interests. The Nomination Committee has responsibility for the formal elements of this by maintaining the Board Diversity Policy. Additionally, I am responsible for ensuring that this carries forward into Board meetings, with all Directors given opportunity to participate and contribute fully in all meetings, and provided with sufficient time and resources to do so. Succession planning is undertaken with the Board Diversity Policy in mind, and future Board appointments are subject to its provisions.

The Policy mandates that we consider gender balance in senior management and their direct reports. Our Board and Executive Leadership Team consist of both men and women, and we note and value the diversity of experiences, geographies, ethnicities, ages and genders in our business and its leadership. Fully in all meetings, and provided with sufficient time and resources to do so. Succession planning is undertaken with the Board Diversity Policy in mind, and future Board appointments are subject to its provisions.

The Policy mandates that we consider gender balance in senior management and their direct reports. Our Board and Executive Leadership Team consist of both men and women and we note and value the diversity of experiences, geographies, ethnicities, ages and genders in our business and its leadership.

Our roadmap to compliance with diversity targets for the Boards of UK listed companies is set out under the succession planning heading on page 122 and also on page 124. In addition, when considering succession planning and appointments, the Committee gives due consideration to the advantages of a wide range of experiences and perspectives to innovation and breadth of ideas, as well as potential barriers to entry for individuals as a result of protected characteristics (as defined by the Equality Act 2010) they possess.

Nomination Committee report – continued

Diversity disclosures					
Disclosures in this table are made in line with reporting requirements set out in the UKLR 6 Annex 1R.					
Report applicable throughout FY2024	No. of Board members ²	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive management
Reporting on sex and gender identity¹					
Men	6	75%	4	5	71%
Women	2	25%	–	2	29%
Not specified / prefer not to say	–	–	–	–	–
Reporting on ethnic background					
White British or other white (including minority white groups)	6	75%	2	6	86%
Mixed / multiple ethnic groups	–	–	–	–	–
Asian / Asian British	–	–	–	–	–
Black / African / Caribbean / Black British	–	–	–	–	–
Other ethnic group	2	25%	2	1	14%
Not specified / prefer not to say	–	–	–	–	–
Notes to the table					
1 The tables on page 104-105 set out the members of the Board. The population comprising ‘executive management’ for the purposes of this report are the members of the Executive Leadership Team set out in the table on page 106 plus the three Executive Directors of the Board.					
2 As Alternate Director, Yoav Papouchado is not included in this table.					

Gathering of data: individuals are requested by the Compliance Team to provide the data related to their Protected Characteristics on the basis that the business is under a regulatory requirement to report. Board members are reminded that although it is a regulatory requirement for the business to make a report, it is not mandatory for individuals to provide this personal data to the business, and that anyone who did not wish to disclose could compliantly be included under the heading ‘not specified / rather not say’. Data is correct as of 31st December 2024.

On 9 January 2025, changes to the Board composition were announced:

- (1) Eli Papouchado retired as Non-Executive Chairman and Board Director
- (2) Yoav Papouchado, as alternate director for Eli Papouchado also ceased to be a Director of the Company on the retirement of Eli Papouchado
- (3) Ken Bradley succeeded Eli Papouchado as Non-Executive Chairman
- (4) Roni Hirsch was appointed to the Board as Non-Executive Director

As such, the table above is updated as of 9 January 2025 as follows:

	No. of Board members ¹	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive management
Diversity disclosures as of 9th January 2025					
Reporting on sex and gender identity					
Men	6	75%	4	5	71%
Women	2	25%	–	2	29%
Not specified/ prefer not to say	–	–	–	–	–
Reporting on ethnic background					
White British or other White (including minority-white groups)	6	75%	2	6	86%
Mixed/ Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/ Caribbbean/ Black British	–	–	–	–	–
Other ethnic group	2	25%	1	1	14%
Not specified/ prefer not to say	–	–	–	–	–
Notes to the table					
1 Data related to Eli Papouchado is removed and data related to Roni Hirsch is input.					

The Board relies on the experience and guidance of the founders of the Company. This means that the composition of our Board is slow to change, delaying our ability to diversify the Board. However, the Board is committed to prioritising diversity in future appointments. When assessing:

- the Board’s composition,
- identifying suitable candidates for appointment or re-election to the Board or
- succession plans,

the Board’s Nomination Committee considers candidates on merit against objective criteria having due regard to the benefits of diversity across a range of characteristics, such as gender, ethnicity, nationality, sexual orientation, disability, cultural background and socio-economic background, as the needs of the Board for diverse backgrounds and fields of expertise. As part of this the Board’s Nomination Committee shall consider the Board Diversity Policy and any measurable objectives therein.

The Nomination Committee will only engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms. Executive search firms will be asked to ensure that potential candidate ‘long-lists’ reflect the Board’s diversity commitments as well as consider potential candidates for Non-Executive Director appointments from a wide pool, including those with no listed company Board level experience; and to ensure that any short-list of candidates displays diversity between genders and ethnicities.

Further, we are an organization committed to inclusivity, and have a zero tolerance attitude towards discrimination on the basis of any of the Protected Characteristics listed in the Equality Act 2010.

We aim wherever possible to develop and promote talent from within. Many of our leadership team from Board level to their direct reports have long and distinguished careers within the organization. The ethos of our Team Members is one of mutual support, and the organization is committed to learning and development.

Audit Committee report



Stephanie Coxon

Chair of the Audit Committee

Membership of the Audit Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Stephanie Coxon (Chair)	5	5
Marcia Bakker	5	5
Ken Bradley	5	5
Nigel Keen	5	5

In compliance with provision 24 of the Corporate Governance Code the Board chair is not to be a member of the audit committee. Ken Bradley will cease to serve on this Committee in 2025.

Letter from the Chair of the Audit Committee

Dear Stakeholder,

As Chair of the Audit Committee, I am pleased to present this report for the year ended 31 December 2024. This report has been prepared in accordance with the Code to provide a clear, balanced, and transparent account of the Committee's activities and priorities over the past year. Good corporate governance is built on transparency and accountability, and we welcome feedback from all stakeholders to ensure that the report remains both compliant and responsive to their needs.

The Audit Committee plays a critical role in overseeing the financial reporting process, internal audit functions, and the Company's risk management and internal control framework. In line with the Corporate Governance Code, the Committee comprises members with the necessary financial and accounting expertise to provide rigorous oversight. Additionally, the Committee is responsible for selecting and appointing external auditors, who independently verify the Company's financial performance. In 2024, our newly appointed external auditors conducted their first audit of the Annual Report and Accounts. Our objective remains to provide stakeholders with confidence in the Company's financial health and long-term viability through an independent and transparent review process.

During the year, the Company completed the competitive tender process announced in the 2023 Annual Report and Accounts, resulting in the appointment of Brightman Almagor Zohar & Co. (a member of the Deloitte Global Network) as external auditors. This appointment was subject to shareholder approval and was confirmed at the 2024 Annual General Meeting.

The evolving landscape of corporate reporting, particularly in areas related to governance, strategy, risk management, and environmental impact, has placed additional responsibilities on the Audit Committee. We are committed to ensuring that these reporting requirements are met with the necessary depth and clarity. Further details can be found in our ESG report on page 68.

The role of the Audit Committee

The key responsibilities of the Audit Committee are:

- Ensure that the Group's financial systems provide accurate and up-to-date information on its financial position;
- Reviewing the findings of the audit with the external auditor; including a discussion of any major issues arising from the audit;
- Ensure that the Group's published consolidated financial statements and related announcements represent an accurate and fair reflection of the business and its financial position;
- Monitor the ERM framework to ensure that financial, non-financial and ESG risks are correctly identified, assessed, managed and mitigated;

- Oversee the appropriate accounting policies, internal controls and compliance procedures necessary for legal and regulatory compliance and risk management; and
- Review and assess the quality of the external audit process, as well as the external auditor's independence (including responsibility for the process of appointing and onboarding new external auditors). Also to ensure compliance with the Minimum Standard for Audit Committees and External Audit issued by the FRC.

The Audit Committee is assisted in performing its duties by information and reviews received from:

- The Co-CEOs;
- The CFO;
- The Chief Legal & Corporate Officer; and
- The Head of Internal Audit and Risk.

As such, the internal legal, compliance, audit and risk teams additionally communicate with the Committee for the performance of its functions. The Compliance function reports on the externally provided confidential reporting channel ('Whistleblower hotline'). In the event of incidents being reported, responsibility for overseeing investigation and resolution rests with the Audit Committee.

The external auditors regularly engage with the Committee throughout the financial year in order to facilitate oversight.

Suntera Global carries out company secretarial services to ensure that the Audit Committee has the required documentation, time, information and resources needed to function effectively. The Committee is accountable to the Board and reports regularly to the full Board on the discharge of its responsibilities. The Terms of Reference of the Committee are reviewed against the Corporate Governance Code annually and can be found on the Company's website.

Audit Committee activities and focus in 2024

Function	Actions in 2024
Monitor the Group's financial statements	<ul style="list-style-type: none">• Interim results: Reviewed the interim reports and financial statements for the half-year period ended 30 June 2024. These were published on 29 August 2024.• Annual results: Reviewed the 2023 Annual Report and Accounts to ensure that the document was fair, balanced and understandable.
Monitor and review the effectiveness of the Group's system of internal controls and risk management	<ul style="list-style-type: none">• Received regular updates on internal audit and ERM, including the financial control framework and risk incidents and mitigating actions• Received regular updates on and reviewed emerging risks• Updated principal risk schedule and ERM framework• Participated in the Board effectiveness assessment conducted by Independent Audit Limited• Set the internal audit plan for the year and monitored the progress throughout the year• Deep-dive audits by the Internal Audit and Risk team over the year covering ESG Green House Gas Emission Reporting, Procurement and Contract Management, and IT Backups and Recovery. Reports received, analysis of the issues identified, and remediation plans reviewed and challenged.• Reviewed a number of assurance reports from the Internal Audit and Risk team throughout the year, across different areas of financial process and control. Evaluated summary assurance reports from 3rd party cyber security experts.• Tracked the progress of management actions to address deficiencies identified through internal audits or 3rd party assurance engagements.• Received Whistleblower hotline and other confidential and / or anonymous reporting channel reports• Monitored and reviewed the effectiveness of internal audit function
Oversee ethical dealings and compliance for the Group	<ul style="list-style-type: none">• Reviewed the adequacy of a number of key policies for the effective and ethical governance of the Group, including the Significant & Related Party Transaction Policy; and the Whistleblowing and Anti-Bribery & Corruption Policies• Reviewed the financial management information being presented to the Board to make sure it is fit for purpose• Met with finance teams for update on internal controls, risk management and reporting matters• Reviewed the FRC's Audit Committees and the External Audit: Minimum Standard and ensured that the Audit Committee is performing its duties as set out
Review the Group's external audit function	<ul style="list-style-type: none">• Ensured completion of audit tender process, and formal appointment of new external auditor• Increased meetings with the external auditors to ensure smooth transition• Considered the audit and interim planning report from the external auditors• Considered the annual and interim findings report from the external auditors• Ensured continued engagement with the external auditors during the external audit process• Evaluated the performance of the external auditor

Audit Committee report – continued

Effectiveness of the Committee

The Committee is assessed annually for its effectiveness. The evaluation of the Committee reviews its work against the provisions and requirements of applicable standards, including the Corporate Governance Code, the Guidance on Audit Committees and ‘Audit Committees and the External Audit: Minimum Standard’. The external review conducted by Independent Audit Limited has findings that are included on page 123. The conclusion of the 2024 assessment of the effectiveness of the Audit Committee was that the Committee is effective in the discharge of its duties and compliant with the Corporate Governance Code.

Relevant skills and experience

The Corporate Governance Code mandates some requirements for Audit Committee composition, including relevant skills and experience for Committee members and the Chair. These requirements are met by the members of the Committee. The members of the Committee have a diverse range of expertise, including the requirement for recent and relevant financial expertise, as well as experience in the sectors in which the business operates. The composition of the Committee is regularly considered by the Board and the Nomination Committee. The Board is satisfied that the Committee is properly structured, and that its members have the requisite competence and are provided with the necessary resources for its responsibilities.

Audit Committee schedules and resources

Meetings of the Audit Committee take place approximately one week before Board meetings. This schedule is structured to permit any work arising from the Audit Committee meeting to be carried out and presented to the Board.

Members of the Executive Leadership Team, key members of corporate teams and external auditors are available to the Audit Committee to respond to questions, or to meet with the Committee on an ad-hoc basis.

The Committee receives monthly reports on financial information, information technology, operational performance and progress against strategy. These updates are made by responsible executives, including the Co-CEO, the Chief Financial Officer and the Chief Corporate & Legal Officer.

The Chair of the Committee also receives a monthly update on non-financial reporting areas as part of the requirement to have oversight of ERM and the audit schedule of the internal audit team. These are received from the Head of Internal Audit and Risk, who reports directly to the Audit Committee. As part of the annual review into effectiveness, the Audit Committee has determined that in discharging its responsibilities in 2024, it had the required time and resources.

Relationship with the Board

The Audit Committee was provided with adequate time in Board meetings to resolve any matters of conflict between the Board and Audit Committee. Had any such disagreement remained unresolved, the Audit Committee has the right to report the issue to shareholders as part of the report on its activities in the Annual Report and Accounts. Accordingly, it is confirmed that there were no such unresolved disagreements. All matters presented by the Audit Committee to the Board were discussed in full, with resolution, in 2024.

External audit and external auditors

The Audit Committee considers the appointment, re-appointment and removal of the external auditors, reviews their terms of appointment and negotiates fees on behalf of the Board prior to making recommendations through the Board to the shareholders to consider at each Annual General Meeting. In 2024, it was recommended to shareholders that they appoint Brightman Almagor Zohar & Co (a Firm in the Deloitte Global Network) as the Company’s external auditors. This resolution was accordingly passed at the 2024 Annual General Meeting. The recommendation was made following the tender process set out in the 2023 Annual Report and Accounts.

Appointment of Brightman

Almagor Zohar & Co

The process for appointing the external auditors required that tender criteria be drafted to ensure that maximum market participation was possible. This process was set out in the 2023 Annual Report and Accounts. All participating firms were made aware of the selection criteria, which were transparent and available to participating firms for use in their Request for Proposal (‘RFP’) responses. A reasonable period was allotted to allow RFP responses to prevent any reasonable competitor being excluded by too short a deadline. The Committee selected from the RFPs a short list of three firms to provide written proposals. Short listed firms were again given time to respond, as well as access to the Committee Chair for further information, should this be necessary. The Audit Committee then reviewed and evaluated the written proposals and received in-person presentations from the candidates. This enabled the Committee to select two firms for recommendation to the Board based on four criteria:

- (1) Technical competence;
- (2) Ability to challenge;
- (3) Audit quality; and
- (4) Independence.

The Committee recommended the two firms to the Board, with a justification for choosing Brightman Almagor Zohar & Co as the preferred candidate. The Board made the appointment in Q1 of 2024, with the shareholders voting to approve the appointment at the Annual General Meeting in April 2024 for a period of one year.

The Audit Committee annually assesses, and reports to the Board on, the independence, objectivity and performance of the external auditors and the quality of the audit process. The Committee will make an annual recommendation to shareholders on whether or not to propose re-appointment at each Annual General Meeting.

Oversight of the external auditors and audit

The Committee and the Committee Chair take steps throughout the year to ensure that they are kept up to date with the progress of the audit, and that the audit report is compliant with the brief and the needs of the Committee. Given this is the external auditors’ first year there has been an increased number of meetings between the external auditors and the Committee Chair. The Committee seeks to satisfy itself that the audit process is effective, and that there is full, internal engagement with the audit process. Meetings with the external auditor throughout the year permit the Chair and the Committee as a whole to ensure that questions are asked, and the Committee is satisfied that the audit is comprehensive, and contains a full gap analysis, including any gaps in the audit itself. The Committee also takes steps to challenge the external auditor on their sources of information and basis of conclusions. The auditor is asked to report against the audit plan, including explanations for any changes to the plan in operation.

The Audit Committee reports to the Board on its conclusions about the external auditor, including:

- An assessment of the information sources on which the audit is based;
- When and how it has challenged the auditor;
- An assessment on the quality of the auditor, including the issue of auditor independence (see ‘Review of the external auditor’ below); and
- Any relevant stakeholder feedback.

The conclusion of the Audit Committee as of 31 December 2024 is that it will recommend re-appointment of the Auditor at the 2025 Annual General Meeting.

External audit plan

Following appointment of the external auditor, an audit plan was submitted to the Audit Committee for discussion. The basis of the audit plan comprised the key risks identified by the business, and the strategy as set out in the Annual Report and Accounts. The audit plan has formed the basis throughout the year for questions and queries from the Audit Committee to the external auditors, and the final assessment of the Committee. Having

sought information from relevant management functions, and conducted multiple meetings with the external auditors, the Committee is satisfied with the Group’s external audit function and the integrity of the financial and narrative statements.

2024 external audit plan

In Q3 2024, an audit plan for the 2024 audit was presented to the Committee and accepted for the upcoming financial year.

This is Brightman Almagor Zohar & Co.’s first-year audit, and to support ongoing improvement, the Committee has discussed a number of topics, including various aspects, including accounting policies, annual report disclosures—such as front-half reporting (e.g., ESG and European Public Real Estate Association (EPRA) disclosures) – and the internal controls framework.

The process of oversight requires the Audit Committee to request that management is not present for part of the meeting where the external auditors present their conclusions. This allows the external auditors to speak freely and share any views without management being present.

This also enables the Audit Committee to assess how the external auditors applied professional scepticism in their procedures and to discuss any areas where they challenged management.

With the external audit team being new to the business, this has fostered an open culture of inquiry, information sharing, and constructive challenge.

Review of the external auditor

The Audit Committee reviewed the independence and objectivity of the external auditors, and reported to the Board that it considered that the external auditors’ independence and objectivity were maintained.

This review included discussions with the external auditors at various meetings, reliance on the external auditor’s own internal controls for compliance with independence rules and ensuring compliance with the Non-Audit Services Policy (as further described below). When evaluating the independence of the external auditors, the Audit Committee also took into consideration the quality of the audit

produced, the constitution of the audit team being used by Brightman Almagor Zohar & Co, communications between management and the external audit team, and generally how the external audit team interacts with and challenges management.

The Audit Committee will perform a comprehensive evaluation on the performance of the external auditors shortly after signing of the annual accounts. This ensures that the external audit team had adequate access to management and was able to scrutinise, challenge and familiarise themselves with the business was a major priority for the Committee in 2024.

Policy on engaging external auditors to supply non-audit services

The Audit Committee monitors the Group’s relationship with its external auditors, considering what impact the provision of non-audit services may have on the external auditors’ independence and objectivity.

The Company maintains a policy, which is annually reviewed, on the engagement of the external auditors for the provision of non-audit services. The policy sets out the circumstances and financial limits within which the auditors may be permitted to provide certain non-audit services, whether a tender process is considered for non-audit services and any information which must be considered to ensure that the non-audit services do not impair the objectivity and independence of the external auditors. The policy is in line with the recommendations set out in the FRC’s Guidance on Audit Committees, the External Audit Minimum Standard and the requirements of the FRC’s Revised Ethical Standard. The Audit Committee regularly reviews this policy for necessary changes in response to changes in related standards and regulatory requirements, and monitors compliance with this policy.

The audit fees due to the external auditors amounted to £475,000. In 2023, the previous auditor, Kost Forer Gabbay & Kasierer, commanded fees of £320,173.

Total non-audit fees amounted to £80,000. In 2023, the previous auditor, Kost Forer Gabbay & Kasierer, commanded total non-audit fees of £81,452.

Audit Committee report – continued

The external auditor's non-audit services were as follows:

The external auditor completed the interim review of the Group's half-year financial results. Although this is considered to be a non-audit service, the objective of the interim review is aligned with the audit. The Audit Committee considered the provision of the non-audit service during the 2024 year and was comfortable that the nature and extent of non-audit services provided did not present a threat to the external auditors' objectivity or independence.

Internal audit

The Company has an internal audit and risk management function which reports directly to the Chair of the Committee. This reporting structure is designed to ensure maximum independence of the internal audit function from the Executive Leadership Team and senior management. In addition, the Head of Risk and Internal Audit has a dotted reporting line to the Chief Financial Officer and Executive Director, Daniel Kos. The internal audit function and the Committee's oversight of it follows the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The Committee is responsible for monitoring and reviewing the effectiveness of the internal audit function. This requires there to be monthly meetings with the Head of Risk and Internal Audit to assess progress against the internal audit programme and other relevant matters, including actions recommended in previous audit reports. Audit Committee meetings maintain a standing agenda item of meeting with the Head of Internal Audit and Risk at each meeting without the presence of Executive Leadership Team (unless their presence, or those of other Board members, is required by specific invitation to discuss relevant matters).

The Internal Audit and Risk function facilitates an annual refresh of the Risk Appetite Statement. The process of reviewing and updating this statement requires an up-to-date risk profile of the Group, and to agree the plan for the year ahead. This process also necessitates a review by the Committee of the resources allocated to the Internal Audit and Risk function to ensure that these are fit for purpose, and capable of completing the audit plan. Currently, the Internal Audit and Risk team is comprises three full-time employees. This figure has remained since the recruitment of two additional team members in 2023, and the Committee considers that this is adequate for the business's requirements in the coming 12 months.

Internal audits conducted under the audit plan present findings in a categorised form. Major findings are those that pose the highest risk to the business and require immediate response. Follow up actions for all audit findings (major, moderate and minor) must be reported on by the Internal Audit and Risk function to the Audit Committee. The Audit Committee may choose to make recommendations for support, for example for additional resources or follow-up actions required to address findings. The Audit Committee is also responsible for governance of internal audit, and therefore must ensure that the function has the requisite access to records, documents, premises and personnel needed to perform the function.

The 2024 Internal Audit Work Plan was developed from the Enterprise Risk Management system or forms part of the Financial Assurance Programme.

The Internal Audit and Risk function required the following third party external support in its risk assessment and assurance programme:

- Cyber Security – Third party experts

Review of the internal auditor

The Audit Committee conducts an annual review of the effectiveness of the Internal Audit and Risk function. The 2024 review results were largely positive. The main objective is to ensure the team has the necessary skills and capacity to implement the changes to the Corporate Governance Code related to internal controls. The Audit Committee is satisfied that the quality, experience and expertise of the function is appropriate for the business.

Financial controls

The Financial Control Framework maps financial controls across the business and identified control owners. Control owners are required to confirm compliance with the framework. This self-certification is the first line of defence. A review of the financial control framework in 2023 led to the following being implemented across 2024.

2024 Internal Audit Work Plan

Areas of focus	Audit subject
Procurement and Contract Management	Thematic audit to assess the design and effectiveness of controls relating to procurement and contract management processes across the business.
ESG Green House Gas Emission Reporting	Audit to evaluate the data collection and review processes in place to ensure the accuracy, reliability, and completeness of the Group's greenhouse gas emission disclosures in the Annual Report.
IT Backups and Recovery	Thematic audit to evaluate the effectiveness of the processes and controls surrounding the current IT Data Backup and Disaster Recovery (DR) programme.
Financial Key Control Testing	
Hire to Retire	Testing of key HR system and Payroll controls
Procure to Pay	Testing of key financial controls throughout the entire purchasing cycle
Reserve to Cash	Testing of key financial controls throughout the entire revenue cycle
Treasury and Cash Management	Testing of key cashflow forecasting, debt covenant oversight and banking controls
Record to Report	Testing focused on period-end accounting controls, and tax compliance

Some of the audits specified above identified areas for improvement, or suggested enhancements to procedures and controls. Mangement has addressed these in 2024, or, dependent on the timetable set for improvement or enhancement, is continuing to address them through 2025.

Enterprise Risk Management (ERM)

Risk management is an ongoing task, with a requirement to look ahead to emerging risks. The Audit Committee ensures that there is ongoing monitoring of the risk profile of the business to ensure that it remains current and up to date. This allows the Committee to advise the Board to make recommendations on the contents of the Risk Appetite Statement set out each year.

The Company maintains an ERM system for which the Board is responsible. The Audit Committee maintains responsibility for oversight and providing the Board with guidance in the discharge of this responsibility. It is, therefore, a standing agenda item of the Committee to consider the risk register and the key risks identified by the ERM.

The Committee is responsible for reviewing the effectiveness of controls against risks. The method for undertaking this task is to benchmark the ERM system output against similar organisations using publicly available information, as well as guidance and standards published by the appropriate professional bodies and institutions. This process ensures that there is a comprehensive annual review of the effectiveness of the ERM system and the control outputs.

Risk management is an ongoing task, with a requirement to look ahead to emerging risks. The Audit Committee ensures that there is ongoing monitoring of the risk profile of the business to ensure that it remains current and up to date. This allows the Committee to advise the Board and to make recommendations on the contents of the Risk Appetite Statement set each year.

Risks to the business are both internal, and based on institutions, structures and processes inherent to the business's activities, and external. External risks can vary across regions and are affected by factors such as the industrial sectors in which the Company operates, macro-economic considerations, changes to local and global market trends, geo-political causes, social and labour conditions, and ecological considerations. These are all considered by the Audit Committee as part of ongoing review, and wherever necessary, controls or other response measures are implemented.

On the operational level, the ERM framework takes a granular approach. The Internal Audit and Risk function maintains a functional-level risk register as well as an emerging risk profile. The Audit Committee oversees and challenges the results of this risk assessment approach.

Climate change is a significant factor in the risk profile of the group. As such, a distinct process of climate-related risk review is conducted by the Head of Internal Audit and Risk alongside the ESG Manager of the Company. The Audit Committee oversees this process. Outputs of climate risks, reporting frameworks and legislative compliance are in the ESG report on page 68.

The Internal Audit and Risk function has provided a report on the principal risks of the Group on page 90.

Confidential reporting channel

The Committee reviews the adequacy and security of the Company’s arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Compliance team, which receives any reports made through the third party provided confidential reporting (‘whistleblowing’) channel provides quarterly updates to the Committee.

Financial reporting

The Audit Committee has reviewed the Annual Report and Accounts. In its opinion, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the Company’s position and performance, business model and strategy.

The Audit Committee reviews draft annual and interim reports. The Audit Committee discusses with the President & Co-CEO, the Co-CEO, Chief Financial Officer and external auditors the significant accounting policies, estimates and judgements applied in preparing these reports.

The overall responsibility for approving annual and interim statements and other governance statements is carried out by the Board, in accordance with the Schedule of Matters Reserved for the Board.

The Audit Committee has challenged the executive and senior management on the following matters:

- **Viability / Going concern** – In accordance with legal requirements and best practices, this remains a key focus for the Audit Committee. The committee assessed the appropriateness of the viability and going concern evaluation and recommended that the Directors collectively approve and sign the statements on page 155.
- **Climate change/ESG** – The Audit Committee independently evaluates the risks and opportunities associated with climate change and other ESG matters. It has also collaborated with the ESG Committee on the Group’s approach to carbon emissions reporting.
- **Information security** – The Audit Committee continues to oversee information security risks, holding regular meetings with the IT Security Manager and the Head of Internal Audit and Risk. These updates cover the technology risk environment, ongoing system controls, monitoring, and emerging threats. Based on these insights, the committee instructs third-party assurance as needed throughout the year.
- **Impairment testing** – The Group’s impairment review requires significant judgement in estimating the recoverable amount of its intangible assets, property, plant and equipment, and the IFRS 16 right-of-use asset. The Audit Committee reviews the independent property valuations that management uses in order to support its approach to impairment reviews. Additionally the Committee engaged in a thorough discussion with the Chief Financial Officer regarding the methodology used for these reviews.

- **Alternative Performance Measures (APMs)** – In reviewing the Annual Report and Accounts, the Audit Committee has challenged management on the completeness, as well as the use and definitions of Alternative Performance Measures (APMs).
- Additionally, other significant issues typically considered include the complexity of the financial statements, given the Group’s size and its multiple legal entities.

Stephanie Coxon
Chair of the Audit Committee



Marcia Bakker
Chair of the ESG Committee

Membership of the ESG Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Marcia Bakker (Chair)	4	4
Ken Bradley	4	4
Stephanie Coxon	4	4
Nigel Keen	3	3

ESG Committee report

Letter from the Chair of the ESG Committee

Dear Stakeholder,

2024 has been my first full year as Chair of the ESG Committee, taking over from Ken Bradley. ESG is an extremely fast-moving area, and the business has sought to rise to the challenges posed by this. We are very aware of the increased need for information about ESG from all of our stakeholders, as well as the regulatory requirements, especially regarding reporting, for listed businesses. The business has made a comprehensive ESG report on pages 68 to 89. We are excited by the progress we have made in 2024, as well as some upcoming milestones in 2025.

Role of the ESG Committee

The role of the ESG Committee is unlike those of the other Committees of the Board, which are mandated by regulation and good corporate governance. The ESG Committee reviews its own existence on an ongoing basis, as its functions should be absorbed by the full Board and the other Committees of the Board as ESG is more and more embedded in all our operations and oversight activities. The Committee takes the view that, as the business is subject to a changing regulatory environment, it is appropriate for the ESG Committee to take responsibility for oversight in this area. In particular, environmental and social matters were previously considered ‘non-financial reporting’ by businesses under previous legislation. Full integration of ESG strategic goals into the business strategy and the replacement of the Non-Financial Reporting Directive with new reporting frameworks shifts our reporting from ‘non-financial’ to a core part of the business’s financial statements. With this in mind, and the existence of the business’s distinct ESG strategy, it is appropriate that the Board maintains a committee to take responsibility for these matters.

Strategic oversight

A priority of 2024 has been to integrate and harmonise the ESG strategy across the regions. To that end, a major workshop was held in Pula in Croatia in 2024 to look at the ESG strategy and reporting on metrics and targets to ensure that our reporting can be consolidated across the Group. As a business listed on the Zagreb Stock Exchange, Arena Hospitality Group is obliged to undertake its own, separate reporting, whilst also forming part of the consolidated financial statements for PPHE Hotel Group. It is very important, therefore, that reporting tools are harmonised across all regions in order to ensure that, region by region, we are using the same methodologies, or, where this is not possible, that this is clearly set out in our reporting.

We have overseen the business’s approach to carbon reporting and its journey towards setting science-based targets. Specifically, we want to see publicly available, independently validated targets for net zero, which we expect to submit to the Science-Based Targets Initiative by the end of 2025 for validation. To that end, the business has kept the Committee informed about the strategic approach to meeting net zero, including the third party engagements on our net zero roadmap. The Committee has looked at the issue of data reliability in carbon reporting in the context of reliance on authoritative conversion factors to determine the tonnes of carbon dioxide equivalent emitted by the business. The Committee has tasked the business with ensuring that data used in reporting is collected through a reliable process, auditable and that methodology statements clearly set out the process used.”

We monitor the progress of the real estate portfolio in attaining the required building certifications (for example, the BREEAM Excellent certification obtained for art’otel London Hoxton in 2024). This ensures that, as the business grows, we can be confident that the asset portfolio is performing within the risk appetite for carbon performance accepted by the business.

Looking forward to 2025 and inputs into our wider decarbonisation strategy, Scope 3 will be an area of engagement. Scope 3 forms the bulk of our carbon emissions, and therefore we will be focusing on what areas can provide significant reductions and how this can be achieved. Only in a collaborative approach with our suppliers can we set realistic goals for carbon reduction specific to the products we require for our business to function.

Social initiatives

As can be seen in our ESG report, social initiatives are important to the business. They are key to good corporate citizenship of our local communities, and in ensuring that team members remain fully engaged. 2024 saw the launch of an employee volunteering scheme, through which team members can volunteer for an approved organisation (for example, with a charity partner) on work time. Monitoring uptake of this new opportunity will allow us to track the success of our initiatives and of our internal communication strategies.

2025 and beyond

It is intrinsic to the activity of the Committee to be future-focused. More work on benchmarking, baselining and feeding the data into targets will continue in 2025. Further, as part of our three-year cycle, we are refreshing our double materiality assessment for ESG.

Marcia Bakker

Chair of the ESG Committee

Remuneration Committee report



Nigel Keen
Chair of the
Remuneration Committee

Membership of the Remuneration Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Nigel Keen (Chair)	5	5
Stephanie Coxon	5	5
Ken Bradley	5	5
Marcia Bakker	5	5

Letter from the Chair of the Remuneration Committee

Dear Stakeholder,

I am pleased to present the Report of the Remuneration Committee for the year ended 31 December 2024. Alongside the Report, we are also presenting the new Remuneration Policy for 2025-2027. Both the Report and the new Remuneration Policy will be presented for an advisory vote to shareholders at the forthcoming Annual General Meeting. The advisory vote is in line with the standard of corporate governance expected of companies listed on the London Stock Exchange. As a Guernsey-incorporated company, PPHE Hotel Group is subject to the requirements of The Companies (Guernsey) Law, 2008.

2024 performance

The Group was pleased to report a solid performance against several of its key performance indicators in 2024, especially against a challenging macroeconomic and geopolitical backdrop. Our teams focused on continuing to provide an excellent guest experience, improving our operational performance, driving efficiencies and launching new properties from our pipeline, most notably art’otel London Hoxton. We expect to see the full fruits of this landmark investment project, as well as from our other recent investments and openings from 2025 onwards. Our exciting new and forthcoming openings in London and Rome are prestigious additions to the art’otel brand, and I would like to thank everyone in the Company for their focus and hard work in delivering these new projects as well as driving the day-to-day performance of our established properties.

Workforce remuneration

Remuneration decisions for executives are always made in the context of the Remuneration Committee’s responsibility for oversight of remuneration across the workforce as a whole. The Company reviewed employee pay, and considered workforce pay increases. In addition, looking forward to 2025, a full regnading of employee pay to rationalise and simplify our structures is intended to lead to more transparent, fairer outcomes for everyone. More details on workforce pay are set out in the tables on page 146.

Considerations applicable to workforce pay assessment include ongoing inflation and cost-of-living pressures. These can vary in intensity across our markets but require us to focus on pay awards and other benefits available to lower-paid workers. Recruitment and retention across the spectrum remain a challenge in the hospitality industry, notably so in the UK, and our benchmarking and review exercised are intended to ensure that we are an attractive proposition, competitive and capable of fulfilling employee needs.

As well as pay, we also take seriously our responsibility to support team members with non-pay benefits. This takes a wellbeing-based approach and seeks to provide services aimed at the necessities of life. Benefithub, comprising online tools accessible to employees to assist them with accessing state benefits, debt counselling and financial wellbeing, is part of this, as well as more traditional forms of support, such as the provision of two meals a day to all employees, regardless of whether they are working that day, and support with travel to work. We are pleased that travel allowances in the Netherlands are at the maximum level permissible.

Our Annual Pay Review exercise analyses the UK and Netherlands as applicable comparator regions for executive pay, reflective of the structure of the Group. It requires us to look at local inflationary, legislative and market conditions, and make pay awards accordingly. In 2024, the UK government adjusted National Insurance payments for employers, which have increased the costs to the Company of employing team members. In the Netherlands, annual pay review increases are in line with collective labour agreements by law. Pay outcomes in each region for 2024 were as follows:

UK

Pay has been increased in line with the National Minimum Wage (NMW), with adjustments made for all pay bands in a decreasing scale. Employees currently paid the NMW received an increase of 9.5%. The average pay award across all brackets sits at **7.3%**.

Pay Bracket	Avg. % of Increase
<=30k	7.90%
>30k <=45k	6.50%
>45k <=60k	5%
>60k <=85k	3%
>85k	3%

Remuneration Committee report – continued

Netherlands

Pay has been increased in line with the HORECA Collective Labour Agreement for 2024, with an average pay award of **10.2%**. Please see below the % increase per pay scale. Salaries for employees that are currently being paid above the salary scales received an increase of an average rate of 4%.

Function Group (Scale)	% of Increase
II	9.5%
III	10.5%
IV	12%
V	12%
VI	9%
VII – XI	8%

ESG

Year-on-year, the ways in which we are accountable to stakeholders for ESG performance are increasing. 2024 was the first year in which I served as a member of the ESG Committee of the Board, which is responsible for our oversight of our strategic objectives and targets. Stakeholder engagement increasingly focuses on ESG, and KPIs for this are being rolled out. Often, strong performance on vital ESG metrics such as carbon emissions goes hand-in-hand with operational cost minimisation, so both financial and ESG objectives are served by good performance in this area. More detail on carbon emissions is to be found in the ESG report and in the report of the ESG Committee.

Remuneration Policy implementation

The Committee has seen good performance with the majority of KPIs in 2024. The Committee recognises that the total reward package for executives is below its peer group; however, the Committee is comfortable that, in the circumstances, the total reward package is sufficiently incentivising to retain senior talent. A detailed analysis of the implementation of the Policy is set out below.

Base salary

Base salaries for executive Board members were adjusted in 2023 and remained stable in 2024 with inflationary increases. Looking forward to 2025 (see the new Remuneration Policy on page 148), as of 1 April 2025, the President & Co-CEO will receive an increase of 2.7% in line with CPI. The Co-CEO and the CFO will each receive an increase of 2.5%.

This is below the increase provided to the wider workforce.

The Remuneration Committee is satisfied that base pay for the Co-CEOs remains aligned with the wider market, and that therefore an increase to base pay is consistent with market benchmarking and the goal of retaining talent. By comparing base pay with comparable roles for executives, and with the workforce as a whole, the Committee has concluded that the base pay levels, as shown in the table below, are correct to ensure alignment with the workforce, with stakeholder feedback, and with the goal of retaining talent.

Year-on-year base salary figures:

	Boris Ivesha	Greg Hegarty	Daniel Kos
2023	550,000	496,125	479,736
2024	573,100	511,009	485,889
2025	588,574	523,784	498,036

Pension

Only base salary is pensionable. The Remuneration Committee has, year-on-year, sought to adjust historic pension arrangements to ensure that these are now fully aligned with governance requirements and with workforce pensions. Pensions are aligned with the workforce as a whole. Executive Directors' pension allowances are further governed by the local rules in the region of employment. Subject to these rules, they can be taken as a cash supplement or a contribution to the Group Personal Pension Plan or a combination of both.

In 2024, the pension contributions for the President & CEO and Co-CEO were 5% of their base salaries. Executive pension contributions are all aligned to or below the Group's wider workforce in the country of employment.

Average pension contributions for the wider workforce in the relevant regions were as follows:

UK	Netherlands
3%	8.4%

Annual bonus performance measures

The annual bonus for 2024 included a cash element and a share element, using the performance metrics outlined below. The cash bonus had a maximum entitlement of six monthly salaries.

Cash bonus

Financial metrics were revenue and gross operating profit with the executive achieving 94.5% on the revenue target and 95.9% on the GOP target. As a result, with the maximum potential of the financial criteria being 70% of the cash bonus, and based on the outcome, the Executives had been awarded 35% of the maximum cash bonus entitlement.

Non-financial metrics were targets of guest satisfaction and employee engagement. Guest satisfaction reached 87.8%, representing a continuing trend of year-on-year improvement since 2021. Employee engagement, reached 84.5%, again, representing year-on-year improvement since 2022. Please see page 39 for further information.

With the executives achieving 100% on guest satisfaction target and 100% on employee engagement target, entitling the executives to 15% of the maximum cash bonus entitlement.

The non-financial targets further comprised individual targets per executive as follows:

Personal targets of Boris Ivesha

- **Advancement of ESG Strategic Target Setting:** Lead the development and integration of a robust ESG framework, ensuring alignment with global sustainability standards, regulatory expectations, and investor priorities. This includes setting measurable ESG targets across operations, development, and supply chain initiatives.
- **Successful Co-CEO Transition:** Ensure a seamless leadership transition by maintaining business continuity, driving strategic initiatives, and fostering strong stakeholder engagement. Key objectives include knowledge transfer, leadership alignment, and maintaining investor confidence throughout the process.
- **Substantial Progress on Pending Planning Approvals:** Drive forward critical development projects by securing planning approvals in key markets, ensuring that regulatory milestones are met in a timely manner to enable future growth and expansion.

- **Expansion and Development of the art’otel Brand:** Accelerate the expansion and positioning of the art’otel brand across strategic locations, ensuring brand differentiation, operational readiness, and commercial success through effective partnerships and execution.

Personal targets of Greg Hegarty

- **Implementation of a New F&B Operating Model to Enhance Restaurant Performance:** Oversee the rollout of a refined food and beverage strategy aimed at optimizing restaurant operations, increasing profitability, and enhancing guest experience. This includes improving cost control measures, menu engineering, and operational efficiencies across the portfolio.
- **Reduction of Gas Consumption Across Hotel Operations:** Implement targeted initiatives to drive energy efficiency and sustainability in hotel operations, with a focus on reducing gas consumption through technology adoption, process optimization, and renewable energy solutions where feasible.
- **Strengthening Alignment and Efficiency Across Commercial Functions in the Hospitality Management Platform:** Enhance collaboration and integration across revenue management, sales, marketing, and digital functions to drive a more data-led, performance-driven commercial strategy that maximizes topline growth and profitability.
- **Successful Openings of the 2024 Pipeline:** Ensure the timely and seamless opening of new hotels in the 2024 pipeline, focusing on operational readiness, brand positioning, and commercial ramp-up to achieve strong early performance and guest satisfaction

Personal targets of Daniel Kos

- **Implementation of Real-Time Carbon Reporting Tools:** Develop and integrate a robust carbon tracking system to provide ongoing visibility into the company's environmental impact, enabling better decision-making and compliance with sustainability commitments.
- **Enhancing Operational Efficiency Through Robotics and AI in Finance:** Leverage automation, AI, and robotics to drive efficiency in the central finance

function, streamlining processes such as accounts payable, revenue reconciliation, and forecasting to improve accuracy and reduce manual workload.

- **Optimizing Housekeeping Efficiencies to Lower Cost per Occupied Room:** Implement productivity-enhancing measures in housekeeping operations, including labor optimization, technology adoption, and process improvements to reduce costs while maintaining high service standards.
- **Successful Refinancing of the Dutch Facility:** Lead the refinancing strategy for the Dutch asset portfolio, securing favorable terms to optimize capital structure, enhance financial flexibility, and support long-term investment in key assets.

Share bonus

The 2024 annual bonus included a share element. This award will be granted following publication of the Report.

In total, the 2024 annual bonus for executives, including the cash and share elements, was within a range of 28% to 60% of base salary and well within the cap permitted under the Remuneration Policy.

The Group's annual bonus programme was well under the maximum amount permitted under the Remuneration Policy. Outcomes for each Director for 2024 were as follows:

	Boris Ivesha	Greg Hegarty	Daniel Kos
Cash award	160,538	160,538	160,538
Share award*	–	147,544	147,544
Total award	160,538	308,082	308,082

* Calculation is based on a three months average share price to on 31 December 2024 (£12.3 per share).

Long-Term Incentive Plan (LTIP)

No LTIP is awarded for the year.

After the balance sheet date, the 2022 awards have vested. The Committee recognises that the LTIP performance target in relation to the Total Shareholder Return (TSR), which equites to 50% of the awards (46,500 options), was not met during the performance period. However, after thorough consideration of the broader context, including macroeconomic challenges such as rising interest rates, inflationary pressures, and a volatile real estate environment, in 2025 the Committee concluded that it is appropriate to exercise discretion and grant the full LTIP allocation.

What follows is a full Report on remuneration in 2024, and Policy table for the new Remuneration Policy, which I very much look forward to presenting to shareholders at our Annual General Meeting for 2025.



Nigel Keen

Chair of the Remuneration Committee

Remuneration Committee report – continued

Remuneration Report 2024

Remuneration Committee membership and meeting attendance

The Committee is composed of four independent Non-Executive Directors. No member of the Remuneration Committee is considered to have a personal financial interest in matters to be decided by the Committee. As the Chair, I satisfy the independence and service requirements of Provision 32 of the Corporate Governance Code.

The Co-CEOs, CFO and Chief Corporate & Legal Officer are invited to attend meetings as appropriate depending on the items on the agenda. The Committee considers their views when reviewing the remuneration of Executive Directors and other senior executives; however, no Directors are involved in the consideration of their own remuneration and only members of the Committee have the right to vote at Committee meetings.

The Committee seeks independent advice as appropriate.

Remuneration Committee activities and focus in 2024

Function	Actions in 2024
Remuneration Policy	<div><div><div>• Drafted a new Remuneration Policy for advisory shareholder vote at 2025 AGM.</div><div>• Implemented remuneration in line with Remuneration Policy, judging against the following criteria:</div></div><div><div>• Individual performance against targets set at beginning of 2024;</div><div>• Link to strategy;</div><div>• Overall performance of the business as a whole;</div><div>• ESG performance; and</div><div>• Stakeholder interest in long-term sustainable value creation.</div></div></div>
Executive Director and senior management remuneration review	Review of Executive Director remuneration by assessing basic pay, pensions, benefits and other incentives against performance criteria and alignment to workforce, culture and objectives.
Set targets and incentive schemes	<div><div>• Review of incentive schemes to ensure that outcomes are not formulaic, but appropriate to the objectives and to shareholder interest.</div><div>• Set targets for 2025</div></div>
Workforce remuneration and benefits policies	<div><div>• Review of workforce remuneration with objective of ensuring that executive Director remuneration is properly aligned.</div><div>• Review of workforce gender pay gap and senior executive to average worker pay ratios.</div></div>

Role of the Remuneration Committee

The key responsibilities of the Committee are:

- putting in place and periodically reviewing the Policy for the remuneration of the Chairman, Executive Directors and senior management to ensure fair and responsible rewards and incentives with a clear and proportionate link to corporate and individual performance;
- ensuring that the Policy is clear, transparent, predictable, simple and therefore suitable for publication for the purpose of shareholder inspection and informing the advisory vote at the Annual General Meeting;
- within the terms of the Policy, determining the individual remuneration of each Executive Director and C-Suite, ensuring that implementation of the Policy does not create formulaic results, but that outcomes are instead clearly proportionate to objective performance and within the reasonable expectation of shareholders;
- reviewing remuneration levels, including pension arrangements, bonuses and other benefits across the Group to ensure alignment between executive remuneration and the workforce as a whole and between remuneration and creation of shareholder value;
- reviewing the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration;
- consulting with the CEO in setting the levels of remuneration for the C-Suite;
- approving the design of, and determining targets for and conditions attached to, any long-term incentive schemes operated by the Group, including pension arrangements, bonuses and other benefits; and
- the engagement and determining the independence of any external remuneration advice that might be considered necessary from time to time.

The Committee's terms of reference are annually reviewed to ensure compliance with the Code and ongoing strategic alignment with the Company, with the latest updated terms of reference approved in 2024 and available on our website.

Remuneration Policy 2022–2024

Introduction

The Policy under which executive Director remuneration was made in 2024 came into effect on 1 January 2022 for a period of three years. It was authorised by an advisory vote of shareholders at the Annual General Meeting in April 2022. In each year of its operation, the Committee has undertaken responsibility to keep the Policy under review and ensure that implementation is in line with the purpose of the Policy's design, and with

the culture, values and strategy of the business. The Policy was designed with the interests of employees, shareholders and other stakeholders in mind, and was proposed mindful of the impact of the Company's operations on the community and the environment. The Committee and the Board considered the Company's reputation and relationships with the places in which the Company operates before proposing the Policy.

Purpose of the Policy

- Promote the long-term sustainable success of the Company and support its strategy
- Ensure that the Company's remuneration structures are aligned to the Company's purpose, strategy and entrepreneurial culture
- Provide an appropriate balance to utilise remuneration to attract, retain and motivate the Company's leadership to drive the strategic vision of the Group successfully

Policy table	
(1) Base salary	<div><div>1. Purpose and link to strategy</div><div>To provide a market competitive salary that will retain, attract and incentivise executives with the right expertise who are instrumental in driving and growing the business and delivering the Company's strategic goals.</div><div>2. Operation</div><div>The salary payable to Executive Directors will normally be capped at the upper quartile of the relevant market benchmark for the role under review. This maximum salary represents the highest end of the range at which the Committee would expect the base salary to be set, rather than the actual amount to be paid. There is no separate cap on the annual increase to base salaries. However, the Committee will normally determine the appropriate level of increase for Executive Directors taking into account the general level of increase for the broader workforce, but on occasion may need to make a more significant increase to recognise additional responsibilities, or an increase in the scale or scope of the role.</div></div>
(2) Benefits	<div><div>1. Purpose and link to strategy</div><div>To provide market competitive benefits consistent with role.</div><div>2. Operation</div><div>Benefits vary between regions and would typically include annual leave, wellbeing day, occupational sick pay, health screening, personal accident insurance, and participation in all employee share schemes. In the UK, these would include in addition medical insurance and life assurance, and in the Netherlands, car allowances. In line with business requirements, other expenses may be paid, such as relocation expenses, together with related tax liabilities.</div><div>3. Maximum potential value</div><div>We do not consider it appropriate to set a maximum benefits value as this may change periodically and by region.</div></div>
(3) Pension	<div><div>1. Purpose and link to strategy</div><div>To attract and retain talent by enabling long-term pension saving.</div><div>2. Operation</div><div>Executives can choose to participate in a defined contribution arrangement or may receive a cash equivalent. A salary supplement may also be paid as part of a pension allowance arrangement.</div></div>
4) Annual bonus plan	<div><div>1. Purpose and link to strategy</div><div>To incentivise and reward the delivery of near-term business targets and objectives.</div><div>2. Operation</div><div>The annual bonus scheme is a discretionary scheme and is reviewed prior to the start of each financial year to ensure that it appropriately supports the business strategy. Performance measures and stretching targets are set by the Committee. Bonuses are normally paid in cash but may also be awarded in deferred share awards. Actual bonus amounts are determined by assessing performance against the agreed targets typically after year end. The results are then reviewed by the Committee to ensure that any bonus paid accurately reflects the underlying performance of the business.</div><div>Where share awards are granted as part of the annual bonus plan, they are held by the individual for one year subject to clawback provisions. Circumstances include: a material misstatement, serious misconduct, a material failure of risk management, restatement of prior year results, corporate failure, or serious reputational damage to any Group company.</div><div>3. Maximum potential value</div><div>150% of base salary.</div><div>4. Performance metrics</div><div>Performance measures are selected to focus executives on strategic priorities, providing alignment with shareholder interests and are reviewed annually. Weightings and targets are reviewed and set at the start of each financial year.</div><div>The Committee may at its discretion adjust the outcome under the formulaic measures where it considers it is appropriate to do so to better reflect overall Company performance.</div></div>

2022–2024 Remuneration Policy – continued

Policy table – continued	
5) Long-term share incentive plan	1. Purpose and link to strategy
	The LTIP scheme adopted in 2022 allows for a framework for the award of market value options, salary-related options, deferred bonus awards and performance share awards to all employees. The long-term and phased vesting of these awards, along with the ability of the Committee to apply additional holding periods, are designed to: <ul style="list-style-type: none">• drive and reward sustainable performance over the long term;• align the interests of executives and shareholders; and• support talent retention.
	2. Operation
	The LTIP allows for the award of the following options which are subject to the rules of the LTIP: <ul style="list-style-type: none">• Market value options – options that are linked to the market value of the shares in the Company;• Salary-related options – whereby employees agree to a reduction in their base salary in exchange for the right to acquire shares at nil-cost. These options normally vest after 12 months subject to an additional six-month holding period;.• Performance share awards – options which are granted subject to specified performance targets. Notwithstanding the extent to which any performance target is satisfied, the number of vested award shares may be adjusted by the Committee to ensure that the number of vested award shares is appropriate taking into account the underlying business performance of the Group. These awards are subject to the rules of the scheme which may include: long-term vesting periods prescribed by the Committee upon grant; good-leaver and bad-leaver provisions allowing the Committee to exercise discretion as to when it might be appropriate for an award to vest in spite of the relevant employee leaving the Group; post vesting holding periods determined by the Committee at the time of the award; and share capital dilution limits. The plan allows dividends or dividend equivalents to accrue, subject to the Remuneration Committee's discretion.
	3. Maximum potential value
	The aggregate market value (as determined by the Committee at or prior to the award date) of shares in respect of which performance share awards and/or restricted stock awards are made to an employee in any financial year are capped at 150% of the employee's annual base salary at the award date.
	4. Performance metrics
	The performance measures applied to LTIP awards are reviewed annually to ensure that they remain relevant to strategic priorities and aligned to shareholder interests. Weightings and targets are reviewed and set prior to each award. Performance measures will include long-term performance targets, of which financial and/or share price-based metrics will comprise at least two-thirds of the award. Quantifiable non-financial metrics, key to business performance, will be used for any balance. Any material changes to the performance measures from year to year would be subject to prior consultation with the Company's controlling shareholders. The Committee may adjust the number of shares realised if it considers such adjustment is justified based on: <ul style="list-style-type: none">(a) the performance of the Company, any business area or team;(b) the conduct, capability or performance of the participant; or(c) the occurrence of unforeseen events or of events outside the participant's control.

Notes to the Policy table

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation). As the Company is registered in Guernsey, shareholders' approval is not required in connection with the Policy. The Executive Directors may request, and the Company may grant, salary and bonus sacrifice arrangements.

The LTIP rules permit the substitution or variance of performance conditions to produce a fairer measure of performance as a result of an unforeseen event or transaction. They include discretions for upwards adjustment to the number of shares to be realised in the event of a takeover, and scheme of arrangement or voluntary winding up. Non-significant changes to the performance metrics may be made by use of discretion under the performance conditions. Awards are normally satisfied in shares, although there is flexibility to settle in cash.

The Committee reserves the right to make remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the Policy table set out above where the terms of the payment were set out and approved prior to the date the Policy came into effect. For these purposes, 'payments' include the Committee determining and paying short-term and long-term incentive awards of variable remuneration.

Non-Executive Directors' fees

Base fee

The Non-Executive Director fees are decided by the Board in accordance with the Company's articles of incorporation. This fee is the same for each Non-Executive Director. The Committee approved an increase of 2.5% in line with the wider workforce in Q1 2025.

Chairman fee

The Chairman receives a set fee which is set by the Remuneration Committee and agreed by the Board. The Chairman's fee is determined by taking into account the time commitment and responsibilities of the role, as well as the role holder's skills, gravitas and qualifications to lead the Board. No Director may participate in the decision-making relating to their own remuneration.

Additional fees

Non-Executive Directors are paid a set additional fee for being Senior Independent Director, a member of a Board Committee and for chairing a Board Committee. This fee is the same for each Non-Executive Director, with exception of the Deputy Chain, who attracts an additional fee for the role, and the Senior Independent Director who attracts an additional fee for the role.

Appointment term and other matters

The Non-Executive Chairman was appointed to a term ending at the Annual General Meeting in 2028. All other Non-Executive Directors are appointed to terms ending at the Annual General Meeting in 2028 (all are subject to annual re-election), unless terminated sooner.

All Directors retire and are offered re-election each year at the Annual General Meeting.

Non-Executive Directors are not entitled to bonuses, benefits or pension scheme contributions or to participate in any share scheme operated by the Company.

In addition to any remuneration payable, a Non-Executive Director may be paid reasonable travel, hotel and other expenses properly incurred in discharging the Director's duties.

Fees cease immediately in the event the Non-Executive Director ceases to be a Director.

Directors are entitled to the benefits afforded by the Group's Directors and Officers Insurance.

The maximum potential value is prescribed by the Articles of Association of the Company.

Term and termination

- Boris Ivesha has a contract which may be terminated on 12 months' notice by the Group or on six months' notice by Boris Ivesha.
- Daniel Kos has a contract which may be terminated on six months' notice by the Group or on three months' notice by Daniel Kos.
- Greg Hegarty has a contract which may be terminated on 12 months' notice by the Group or on six months' notice by Greg Hegarty. There are provisions for earlier termination by the Group in certain specific circumstances.
- Each Non-Executive Director has specific terms of appointment. The Chairman's letter of appointment provides for an indefinite term terminable on three months' prior notice by either side or immediately upon the Board passing a resolution to remove the Chairman as a Director.
- The Non-Executive Directors' terms of appointment currently end at the Annual General Meeting held in 2025.
- All the Non-Executive Directors' appointment letters (including the Chairman's) are subject to termination by either side on three months' notice.
- Other than salary and benefits in relation to the notice period, the letters of appointment contain provisions for termination by the Group in certain specific circumstances. The letters of appointment are available for inspection at the Company's registered office.

Dates of the Directors' service contracts are as follows:

Director	Date of appointment	Term of appointment	Subject to annual re-election	Notice period
Eli Papouchado	26-Jun-07	Indefinite	Yes	3 months
Boris Ivesha	14-Jun-07	Indefinite	Yes	12 months from Group; 6 months from Boris Ivesha to the Group
Daniel Kos	27-Feb-18	Indefinite	Yes	6 months from Group; 3 months from Daniel Kos to the Group
Greg Hegarty	23-May-23	Indefinite	Yes	12 months from Group; 6 months from Greg Hegarty to the Group
Ken Bradley	04-Sep-19	Annual General Meeting 2028	Yes	3 months
Nigel Keen	20-Feb-20	Annual General Meeting 2028	Yes	3 months
Stephanie Coxon	07-Aug-20	Annual General Meeting 2028	Yes	3 months
Marcia Bakker	06-Dec-22	Annual General Meeting 2028	Yes	3 months

2022-2024 Remuneration Policy – continued

The Executive Directors’ service contracts do not contain specific provision for compensation in the event of removal at an Annual General Meeting. In the event of early termination, some Directors may be eligible for payments in lieu of notice. When determining exit payments, the Committee would take account of a variety of factors, including individual and business performance, the obligation for the Director to mitigate loss (for example, by gaining new employment), the Director’s length of service and any other relevant circumstances, such as ill health. A departing Director may also be entitled to a payment in respect of statutory rights. The Committee would distinguish between types of leaver in respect of incentive plans. ‘Good leavers’ (death, ill health, agreed retirement, redundancy or any other reason at the discretion of the Committee) may be considered for a bonus payment having completed the full year, and part-year bonus payments may be paid and LTIP awards may vest at the usual time taking into account performance conditions and pro-rating for time in employment during the performance period, unless the Committee determines otherwise.

The LTIP rules include discretion, in exceptional circumstances, for acceleration of the realisation date and upwards adjustment to the number of shares to be realised for ‘good leavers’ in such a situation. In all other leaver circumstances, the Committee would decide the approach taken, which would ordinarily mean that leavers would not be entitled to consideration for a bonus and LTIP awards would lapse. Any vested LTIP award that is subject to a holding period at the time of the executive’s cessation of employment will not lapse except in the

case of the executive’s gross misconduct. The Committee reserves the right to make any other payments in connection with a Director’s cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director’s office or employment.

In addition, the Committee reserves the right, acting in good faith, to pay fees for outplacement assistance and/or the Director’s legal and/or professional advice fees in connection with his or her cessation of office or employment.

The appointment of each of the Non-Executive Directors is for an initial period of three years, or for the period between the date of appointment and the Annual General Meeting in 2024, whichever is the shorter. The appointment of each Non-Executive Director is renewable for further terms, and is terminable by the Non-Executive Director (as applicable) or the Company on three months’ notice. No contractual payments would be due on termination. There are no specific provisions for compensation on early termination for the Non-Executive Directors, with the exception of entitlement to compensation equivalent to three months’ fees (as applicable) or, if less, the balance of appointment, in the event of removal at an Annual General Meeting.

Reward packages for new Executive Directors will be consistent with the above Remuneration Policy. Fixed remuneration elements would be paid only from the date of employment and any bonus will be pro-rated to reflect the proportion of the year employed to the maximum stated in the Policy table.

The Committee retains discretion to make appropriate remuneration decisions outside the standard Remuneration Policy to meet the individual circumstances when an interim appointment is made to a fill an Executive Director role on a short-term basis. For Non-Executive Directors, the Board would consider the appropriate fees for a new appointment taking into account the existing level of fees paid to the Non-Executive Directors, the experience and ability of the new Non-Executive Director and the time commitment and responsibility of the role.

2024 Remuneration Report

This Report will be submitted alongside the accompanying 2025-2027 Remuneration Policy for an advisory vote of shareholders at the Annual General Meeting taking place in 2025.

We believe that the Remuneration Policy works to ensure that the Company is able to attract, retain and correctly incentivise management. Its framework ensures the long-term success of the Company, and encourages actions which align with the purpose, values and culture of the Company.

Feedback on remuneration from shareholders is a prime concern for the Remuneration Committee. Considerations relevant in 2025 are likely to be:

- (1) the stabilisation of the newly opened hotels in the portfolio;
- (2) macroeconomic conditions including inflation and energy costs; and
- (3) year-on-year ESG data reporting allowing KPIs.

The remuneration in 2024 was awarded in accordance with the Remuneration Policy approved at the 2022 AGM (see above). The Committee is satisfied that the implementation of the Policy indicates the correct operation of the decision-making processes of the Committee.

Single total figure of remuneration (audited)
The following table sets out the details of all Directors’ remuneration for the financial year ending 31 December 2024. Figures for 2023 are included for comparison.

Total remuneration for PPHE Hotel Group Board in 2024¹

Name	Position	Base salary and fees ²		Bonus ³		Pension contributions		LTIP ⁴		Other benefits		Total	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Boris Ivesha	President & Co-CEO	573,100	550,000	160,538	157,500	28,655	27,500	–	–	17,116	15,135	779,409	750,135
Greg Hegarty	Co-CEO	511,009	496,125	308,082	157,500	25,550	23,625	270,497	–	4,521	3,860	1,119,659	681,110
Daniel Kos	CFO	485,889	479,736	308,082	157,500	19,283	16,076	270,497	–	–	–	1,083,751	653,312
Eli Papouchado	Non-Executive Chairman	250,000	200,000	N/A	–	N/A	–	N/A	N/A	N/A	N/A	250,000	200,000
Ken Bradley	Non-Executive Deputy Chair	87,000	62,158	N/A	–	N/A	–	N/A	N/A	N/A	N/A	87,000	62,158
Nigel Keen	Senior Independent Director	72,000	61,300	N/A	–	N/A	–	N/A	N/A	N/A	N/A	72,000	61,300
Stephanie Coxon	Non-Executive Director	65,000	59,900	N/A	–	N/A	–	N/A	N/A	N/A	N/A	65,000	59,900
Marcia Bakker	Non-Executive Director	65,000	59,900	N/A	–	N/A	–	N/A	N/A	N/A	N/A	65,000	59,900
Kevin McAuliffe	Former Non-Executive Deputy Chairman	–	39,656	–	–	–	–	–	–	–	–	–	39,656
Total		2,108,998	2,008,775	776,702	472,500	73,488	67,201	540,994	–	21,637	18,995	3,521,819	2,567,471

- Notes**
1. All fees are shown in GBP. Daniel Kos’s salary is paid in EUR, and converted for comparison purposes at a rate of €1.18:£1.
2. Base salary / fees represent all amounts received by the Director from the Company for the financial year.
3. Figure includes the share element of the annual bonus which was calculated using the 3 months average price to 31 Dec 2024
4. Figure includes the full LTIP for performance in 2022-2024 which was as calculated using the 3 months average price to 31 Dec 2024.

2024 Remuneration Report – continued

2024 Bonus outcomes

Annual bonus performance measures

The annual bonus for 2024 included a cash element and a share element, using the performance metrics outlined below.

The cash bonus had a maximum entitlement of six monthly salaries.

Cash bonus

Financial metrics were revenue and gross operating profit, with the executive Directors achieving 94.5% on the revenue target and 95.9% on the GOP target. As a result, with the maximum potential of the financial criteria being 70% of the cash bonus, and based on the outcome, the executives had been awarded 35% of the maximum cash bonus entitlement.

Non-financial metrics were the annual improvement of guest rating score and employee engagement KPIs. Further details of these, including the methodology and outcome for 2024 and previous years, are included on page 39. The executives achieved 100% on both targets, entitling the executives to 15% of the maximum cash bonus entitlement.

The non-financial targets further comprised individual targets per executive as follows:

Personal targets of Boris Ivesha

- Progress on ESG strategic target setting
- Successful Co-CEO transition
- Substantial progress on pending planning approvals
- Substantial progress on ant’otel brand development and roll out

Personal targets of Greg Hegarty

- Implementation of new Food & Beverage model to improve performance of restaurants
- Reduction of gas consumption in the hotels
- Creating further alignment and efficiency between commercial functions in the hospitality management platform
- Successful openings of 2024 pipeline

Personal targets of Daniel Kos

- Implementation of reporting tools for constant carbon reporting
- Enhancement of efficiency by implementing robotics and AI throughout centralised finance function

- Improvement of housekeeping efficiencies to reduce cost per occupied room
- Successful refinancing of the Dutch facility

Overall, in terms of non-financial metrics, the Executive Directors achieved 100%, which has awarded them 30% of the maximum bonus entitlement.

Share bonus

The 2024 annual bonus included a share element. This award will be granted following publication of the Report.

In total, the 2024 annual bonus for executives, including the cash and share elements, was within a range of 28% to 60% of base salary and well within the cap permitted under the Remuneration Policy.

The Group’s annual bonus programme was well under the maximum amount permitted under the Remuneration Policy. Outcomes for each Director for 2024 were as follows:

	Boris Ivesha	Greg Hegarty	Daniel Kos
Cash award	160,538	160,538	160,538
Share award*	–	147,544	147,544
Total award	160,538	308,082	308,082

* Calculation is based on a three months average share price to on 31 December 2024 (£12.3 per share).

2024 LTIP outcomes

No LTIP awards were made in 2024.

The Committee granted an LTIP award in June 2022, subject to the rules of the Long-Term Incentive Plan, and within the framework set by the Policy. The award was subject to performance metrics based on Total Shareholder Return (TSR) and adjusted EPRA earnings per share¹. The award carried a three-year vesting period, which matured in December 2024, and two-year holding requirement. As a significant shareholder in the Company, Boris Ivesha waived his entitlement to participate in the 2022 LTIP. Daniel Kos, the CFO and Greg Hegarty, Co-CEO, were each awarded a conditional LTIP award of 22,000 NIL Price Options.

The Committee recognises that the LTIP performance targets, particularly TSR, were not met in full during the performance period. However, after thorough consideration of the broader context, including macroeconomic challenges such as rising interest rates, inflationary pressures, and a volatile real estate environment, the Committee believes it is appropriate to exercise discretion and grant the full LTIP allocation.

Despite these external headwinds, the Company has delivered a strong operational performance, achieving EPRA EPS of 1.18 compared with the target of 1.25 and demonstrating resilience in its strategic execution. Furthermore, the Company’s re-entry into the FTSE 250 and the EPRA Index, alongside its top quantile performance within the REITs peer group, highlights its significant progress in enhancing shareholder value and market positioning. The Committee is confident that this decision reflects the exceptional efforts of the management team and appropriately rewards their leadership during an extraordinarily challenging period, ensuring alignment with long-term stakeholder interests.

TSR benchmark group

Our unique business model in owning and operating our hotels makes us both a real estate and a hospitality business. For this reason, the Committee developed a specific benchmark for remuneration purposes. The Committee uses a blend of listed companies in the hospitality management and hotel real estate sectors and as peer comparators as well as hotel businesses in order to ensure that our asset-holding real estate business model and our hotel operations business model are properly reflected in our comparator group.

Comparator Group			
Name	Ticker	Market	Sector
PPHE Hotel Group	PPH-GB	UK	Leisure & Hospitality
Dalata	DAL-GB	UK	Leisure & Hospitality
InterContinental Hotels Group	IHG-GB	UK	Leisure & Hospitality
Whitbread	WTB-GB	UK	Leisure & Hospitality
Accor	AC-FR	France	Leisure & Hospitality
NH Hotel Group	NHH-ES	Spain	Leisure & Hospitality
Melia Hotels International	MEL-ES	Spain	Leisure & Hospitality
Pandox	PNDX.B-SE	Sweden	Leisure & Hospitality
Scandic Hotels Group	SHOT-SE	Sweden	Leisure & Hospitality
Aroundtown	AT1-DE	Germany	Leisure & Hospitality
Marriot	MAR-US	USA	Leisure & Hospitality
Hilton	HLT-US	USA	Leisure & Hospitality
Wyndham Hotels	WH-US	USA	Leisure & Hospitality
Choice Hotels International	CHH-US	USA	Leisure & Hospitality
Hyatt Hotels	H-US	USA	Leisure & Hospitality
Ashford Hospitality Trust	AHT-US	USA	REIT
Host Hotels & Resorts	HST-US	USA	REIT
Park Hotels & Resorts	PK-US	USA	REIT
Apple Hospitality	APLE-US	USA	REIT
Pebblebrook Hotel Trust	PEB-US	USA	REIT
RLJ Lodging Trust	RLJ-US	USA	REIT
Sunstone Hotel Investors	SHO-US	USA	REIT
Diamondrock Hospitality	DRH-US	USA	REIT
Summit Hotel Properties	INN-US	USA	REIT
Chatham Lodging Trust	CLDT-US	USA	REIT
Braemar Hotels & resorts	BHR-US	USA	REIT
Hersha Hospitality Trust	HT-US	USA	REIT

2024 Remuneration Report – continued

Stakeholder engagement

The Committee is obliged to consider shareholder interest in making the awards set out above. Further, workforce engagement in remuneration practices is a requirement of strong corporate governance. The ratio of total Co-CEO Remuneration to those of average employees is set out using quartile comparators:

Salary of the Co-CEOs compared with average UK workforce remuneration

Calculated as the ratio between the average of both Co-CEO's remuneration to the 50th percentile.	Total remuneration of President & Co-CEO Boris Ivesha	Total remuneration of Co-CEO Greg Hegarty	Average UK employee (25th percentile)	Average UK employee (50th percentile)	Average UK employee (75th percentile)
Total	779,409	1,119,659	26,077	31,467	40,470
Ratio of mean of Co-CEOs' total remuneration to average UK employee	–	–	36.4:1	30.2:1	23.5:1

Additional disclosures

Directors and Company Secretary share interests

Name	Shares beneficially owned as at 31 December		Options fully vested to acquire shares as at 31 December 2024	Conditional LTIP share awards subject to performance conditions
	2024	2023		
Boris Ivesha	4,636,974	4,636,974	–	–
Greg Hegarty	–	–	27,308	22,000
Daniel Kos	30,000	30,000	–	22,000
Eli Papouchado	13,760,260	13,760,260	–	–
Ken Bradley	–	–	–	–
Nigel Keen	–	–	–	–
Stephanie Coxon	–	–	–	–
Marcia Bakker	–	–	–	–

Shares beneficially owned include those of connected persons and include shares held in trust, which are subject to deferral or holding periods.

Relative spend on pay

The following table shows the Group's aggregate actual spend on pay (for all employees) and dividends in respect of the current and previous financial year.

	2024	2023	Change
Dividend	15,544,953	11,896,668	30.7%
Agggregate employee remuneration	150,147,075	136,547,587	10.0%

Percentage change in remuneration

The following analysis summarises the annual change in remuneration for each individual Director over five years in comparison to the annual change in average employee remuneration.

Directors' remuneration	2021v2020 ³	2022v2021	2023v2022	2024v2023	2024 total
Executive Directors					
Boris Ivesha ¹	29%	2%	33%	3.9%	779,409
Daniel Kos ²	3%	164%	34%	65.9%	1,083,751
Greg Hegarty	N/A	N/A	N/A	64.4%	1,119,659
Non-Executive Directors					
Eli Papouchado	33%	0%	0%	25.0%	250,000
Ken Bradley	32%	8%	4%	40.0%	87,000
Nigel Keen	54%	5%	0%	17.5%	72,000
Stephanie Coxon	218%	8%	0%	8.5%	65,000
Marcia Bakker	N/A	N/A	N/A	8.5%	65,000
Kevin McAuliffe	29%	0%	60%	N/A	N/A
Nigel Jones	100%	N/A	N/A	N/A	N/A
Dawn Morgan	100%	N/A	N/A	N/A	N/A

Notes to the table:

1: Boris Ivesha waived his rights for annual bonus in years 2019-2022.

2: In 2022, the annual bonus of the CFO included a 23,000 share award. 2024 figure includes the LTIP for 2022-2024 and the share bonus.

3: In 2020, under pandemic conditions, the Directors sacrificed a portion of their salary and were not entitled to variable benefits.

Additional payments to Directors and past Directors

No payments to past Directors were made in 2024. There were no payments for loss of office in 2024.

The Committee is grateful to shareholders for their confidence in our work and decision-making. We are, as always, committed to full shareholder engagement and transparency in our approach to our work.

Remuneration Committee and advisers

The Co-CEOs and the Company Secretary attended Committee meetings at the invitation of the Committee Chair (but were not present for discussions on their own remuneration).

The members of the Committee have no financial interest and no potential conflicts of interest, other than as shareholders, in the matters to be decided and no day-to-day involvement in the running of the business.

In carrying out its duties, the Committee considers any relevant legal requirements, the recommendations in the UK Corporate Governance Code and the Listing Rules of the London Stock Exchange and associated guidance and investor guidelines on executive remuneration. In 2024, the Committee did not seek external support from remuneration consultants or advisers.

The Board approves the remuneration of the Non-Executive Directors.

Remuneration Policy 2025–2027

Introduction

This Policy has been prepared by the Committee in 2024, and is proposed to apply for three years commencing on 1 January 2025. As a Guernsey-registered company, PPHE Hotel Group is not subject to the Companies Act 2006 in the UK. It is our intention to seek advisory shareholder approval for the Policy at the 2025 Annual General Meeting.

This Policy is designed to maximise openness and transparency with regard to remuneration. It is the Committee's responsibility to ensure that implementation of the Policy is not simply formulaic. Committee members individually and collectively exercise their independent judgment and discretion to ensuring that, in any given year, appropriate consideration is given to the performance of the business and other relevant circumstances in determining remuneration. Other relevant considerations for the Remuneration Committee include:

- the impact of the Company's strategy and operations on the community and the environment;
- the Company's reputation and relationships in its locations of operation;
- shareholder and investor feedback on previous Remuneration Reports;
- The remuneration of the business's workforce as a whole;
- ensuring that management incentives support the long-term, sustainable success of the business;
- alignment to Company purpose and values;
- the business's need to recruit and retain talent; and
- ensuring that remuneration is in line with shareholder expectation and market practice.

Creating the new Policy

The Remuneration Committee has dedicated time in its meetings throughout 2024 to designing a Policy that promotes the interests of employees, shareholders and other stakeholders.

In designing the Remuneration Policy, no external third parties were required.

Conflict of interest management

In line with the requirements of the UK Corporate Governance (the 'Code') published in 2024 no individual is permitted to participate in decision-making regarding their own remuneration outcome.

Executive Director remuneration

The elements of the remuneration package which may apply to Executive Directors are:

- (1) base salary;
- (2) benefits;
- (3) pension;
- (4) annual bonus; and
- (5) Long-Term Incentive Plan ('LTIP').

Policy table		
Purpose, link to strategy and operation	Maximum opportunity	Performance metrics
(1) Base salary		
Salary shall be market competitive, and shall serve the purpose of retaining talent, and, where necessary, attracting new talent to roles. Skills, length of service, experience and wider workforce alignment shall be relevant considerations when determining the fixed portion of executives' remuneration.	<p>A cap shall be applied in line with the upper quartile of the relevant market benchmark for the role. This cap shall be a maximum figure, and not reflect the actual amount to be paid.</p> <p>The level of increase applied annually to base salary shall be determined by the Committee at its discretion; however, annual increases for executives ought to be transparently in line with increases applicable to the wider workforce, with any deviation from this explained in the appropriate report of the Remuneration Committee. Circumstances that might require the Committee to apply an increased base salary greater than that applied to the workforce as a whole include an increase in the scale or scope of a role.</p>	There shall be no performance metrics applied to base salary.

Policy table – continued		
Purpose, link to strategy and operation	Maximum opportunity	Performance metrics
(2) Benefits		
Benefits shall be consistent with market practice, and competitive for the purpose of attracting and retaining talent.	We do not consider it appropriate to set a maximum benefits value as this may change periodically and by region.	There shall be no performance metrics applied to benefits.
Benefits typically include annual leave above statutory requirements, wellbeing days, sick pay and other health benefits, car allowance and insurance. Benefits may be an annual component of executive remuneration, such as employee share schemes, or ad-hoc payments related to business strategy, for example relocation expenses.	Access to employee share schemes is on the same basis as for the leadership team.	
In order to ensure alignment with the workforce, benefits may vary from region to region.		
(3) Pension		
Accrual of pension savings is in line with attraction and retention of talent.	Pension contributions might vary by region. Pension allowances shall align to workforce contributions based on place of employment. Only basic salary shall be pensionable.	There shall be no performance metrics applied to pensions.
Executives can choose to participate in a defined contribution arrangement, or may receive a cash equivalent. A salary supplement may also be paid as part of a pension allowance arrangement.		
(4) Annual bonus plan		
Annual bonuses shall incentivise and reward performance on near-term strategic targets and business performance overall.	150% of base salary.	Performance measures are selected to focus executives on strategic priorities, providing alignment with shareholder interests, and are reviewed annually. Weightings and targets are reviewed and set at the start of each financial year.
Bonuses shall be discretionary, and based on performance against agreed targets set at the beginning of the financial year. The Committee shall determine if any bonus shall be payable by reviewing performance against targets after year end. The Committee shall exercise discretion in making payments based on the overall performance of the business.		The Committee may at its discretion adjust the outcome under the formulaic measures where it considers it is appropriate to do so to better reflect overall Company performance.
Where share awards are granted as part of the annual bonus plan, they normally vest on the first anniversary of grant and are subject to clawback provisions within three years of the individual becoming entitled to the shares. Circumstances include: a misstatement of financial results, miscalculation of the number of shares awarded, corporate failure, gross misconduct or serious reputational damage to any Group company. These provisions also applied in the previous reporting period.		

Remuneration Policy 2025-2027 – continued

Policy table – continued		
Purpose, link to strategy and operation	Maximum opportunity	Performance metrics
(5) Long-term share incentive plan		
<p>The LTIP scheme is designed to provide a framework for the award of the following to all employees, including executives:</p> <ul style="list-style-type: none">• Performance share awards (granted subject to specified performance targets);• Restricted share awards;• Deferred bonus awards; and• Market value share options (share options linked to the market value of the Company shares). <p>The Committee imposes long-term holding and phased vesting conditions to awards. The LTIP contains malus and clawback provisions. Incentive awards awarded under the LTIP scheme may be cancelled (prior to vesting), reduced, or clawed back for three years post vesting in the event of a misstatement of financial results, miscalculation of the number of shares awarded, corporate failure, gross misconduct or serious reputational damage to any Group company. These provisions also applied in the previous reporting period.</p> <p>The Committee may adjust the number of shares realised if it considers in its discretion that such adjustment is justified, based on factors such as:</p> <p>(a) ensuring that the number of shares is reflective of the underlying business performance of the Company, any business area or team;</p> <p>(b) the conduct, capability or performance of the participant; or</p> <p>(c) wider circumstances.</p> <p>The rules of the award scheme provide for:</p> <ul style="list-style-type: none">• long-term vesting periods;• post vesting holding periods (determined by the Committee at the time of the award);• good leaver and bad leaver provisions allowing the Committee to ensure that the vesting of awards suitably reflects the purpose of long-term talent retention; and• share-capital dilution limits. <p>Dividend equivalents may accrue subject to the discretion of the Remuneration Committee.</p>	<p>Performance related awards and/or restricted stock awards are capped at 200% of base salary as calculated by assessment of the aggregate market value of the shares calculated by the Committee at the time of or prior to the award date.</p> <p>Weightings and targets are set at the beginning of the financial year, and performance is assessed against them prior to any award being made. A minimum of two-thirds of performance metrics refer to share price and/or financial targets (for example, Total Shareholder Return (TSR)). Quantifiable non-financial targets (such as those related to ESG performance) shall form part of the metrics of performance. The Company's controlling shareholders retain a right of consultation on any year-on-year material changes to performance metrics.</p> <p>The Committee will consider the Group's overall performance before determining the final vesting level. The Committee retains discretion to adjust the vesting level to ensure that it is appropriately aligned to the underlying financial or non-financial performance of the participant or the Group over the relevant period. Committee discretion also exists to ensure that total remuneration is appropriate in the event of unexpected or unforeseen circumstances unknown when the targets were set.</p>	<p>Performance targets are measured annually to ensure that they correctly incentivise behaviours in line with the strategy, and are appropriate, with due regard to shareholder interest.</p>

Notes to the Policy table

- The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation). As the Company is registered in Guernsey, shareholders' approval is not required in connection with the Policy.
- The LTIP rules permit the substitution or variance of performance conditions to produce a fairer measure of performance as a result of an unforeseen event or transaction. They include discretions for upwards adjustment to the number of shares to be realised in the event of a takeover, and scheme of arrangement or voluntary winding up.
- Non-significant changes to the performance metrics may be made by use of discretion under the performance conditions. Awards are normally satisfied in shares, although there is flexibility to settle in cash.
- The Committee reserves the right to make remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the Policy table set out above where the terms of the payment were set out and approved prior to the date the Policy came into effect. For these purposes, 'payments' include the Committee determining and paying short-term and long-term incentive awards of variable remuneration.

Non-Executive Directors' fee

Base fee

The Non-Executive Director fees are decided by the Board in accordance with the Company's articles of incorporation. This fee is the same for each Non-Executive Director.

Chairman fee

The Chairman receives a set fee which is set by the Remuneration Committee and agreed by the Board. The fees for the Chairman and are reflective of his experience and skills, as well as the time commitment and responsibilities of these roles. No Director may participate in the decision-making relating to their own remuneration.

Additional fees

Non-Executive Directors are paid a set additional fee for being Senior Independent Director, a member of a Board Committee and for chairing a Board Committee.

This fee is the same for each Non-Executive Director, with exception of the Chairman (see above) and the Senior Independent Director, who attracts an additional fee for the role.

Appointment term and other matters

- The Non-Executive Chairman and all other Non-Executive Directors are appointed to terms ending at the Annual General Meeting in 2028 (all are subject to annual re-election), unless terminated sooner.
- All Directors retire and are offered re-election each year at the Annual General Meeting.
- Non-Executive Directors are not entitled to bonuses, benefits or pension scheme contributions or to participate in any share scheme operated by the Company.
- In addition to any remuneration payable, a Non-Executive Director may be paid reasonable travel, hotel and other expenses properly incurred in discharging the Director's duties.
- Fees cease immediately in the event the Non-Executive Director ceases to be a Director.
- Directors are entitled to the benefits afforded by the Group's Directors and Officers Insurance.

Maximum potential value

Prescribed by the Articles of Association of the Company.

Term and termination

The Executive Directors' service contracts do not contain specific provision for compensation in the event of removal at an Annual General Meeting.

In the event of early termination, some Directors may be eligible for payments in lieu of notice. When determining exit payments, the Committee would take account of a variety of factors, including individual and business performance, the obligation for the Director to mitigate loss (for example, by gaining new employment), the Director's length of service and any other relevant circumstances, such as ill health. A departing Director may also be entitled to a payment in respect of statutory rights. The Committee would distinguish between types of leaver in respect of incentive plans. 'Good leavers' (death, ill health, injury or disability, redundancy, the employing company leaving the Group, agreed retirement, termination by the employer other than due to poor performance or misconduct or any other reason at the discretion of the Committee) may be considered for a bonus payment having completed the full year, and part-year bonus payments may be paid and LTIP awards may vest at the usual time taking into account performance conditions and pro-rating for time in employment during the performance period, unless the Committee determines otherwise.

The LTIP rules include discretion, in exceptional circumstances, for acceleration of the realisation date and upwards adjustment to the number of shares to be realised for 'good leavers' in such a situation. In all other leaver circumstances, the Committee would decide the approach taken, which would ordinarily mean that leavers would not be entitled to consideration for a bonus and LTIP awards would lapse. Any vested LTIP award that is subject to a holding period at the time of the executive's cessation of employment will not lapse except in the case of the executive's gross misconduct. The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. In

addition, the Committee reserves the right, acting in good faith, to pay fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his or her cessation of office or employment.

The appointment of each of the Non-Executive Directors is for the period between the date of appointment and the Annual General Meeting in 2028 (subject to annual re-election at each Annual General Meeting). The appointment of each Non-Executive Director is renewable for further terms, and is terminable by the Non-Executive Director (as applicable) or the Company on three months' notice. No contractual payments would be due on termination. There are no specific provisions for compensation on early termination for the Non-Executive Directors, with the exception of entitlement to compensation equivalent to three months' fees (as applicable) or, if less, the balance of appointment, in the event of removal at an Annual General Meeting.

Reward packages for new Executive Directors will be consistent with the above Remuneration Policy. Fixed remuneration elements would be paid only from the date of employment and any bonus will be pro-rated to reflect the proportion of the year employed. The maximum level of variable remuneration is as stated in the Policy table.

The Committee retains discretion to make appropriate remuneration decisions outside the standard Remuneration Policy to meet the individual circumstances when an interim appointment is made to a fill an Executive Director role on a short-term basis. For Non-Executive Directors, the Board would consider the appropriate fees for a new appointment taking into account the existing level of fees paid to the Non-Executive Directors, the experience and ability of the new Non-Executive Director and the time commitment and responsibility of the role.

Directors’ report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2024.

The Strategic Report and Directors’ report together are the Management Report for the purposes of Rule 4.1.8R of the DTR. Section 248(2) of The Companies (Guernsey) Law, 2008 (the ‘Guernsey Law’) requires the principal activities to be stated in the Directors’ report. The following matters have been included in the Strategic Report but are incorporated by reference into this Directors’ report.

Appointment and replacement of Directors

Pursuant to the Articles, the Board has the power to appoint any person to be a Director. All Directors are required to submit to annual election by shareholders at the Annual General Meeting. At every Annual General Meeting, a minimum of one-third of the Directors (or the number nearest to and less than one-third in the event that the number of Directors is not three or any multiple of three) shall retire from office. If there are fewer than three Directors on the board, they shall all retire. No person, other than a Director retiring at a general meeting, shall, unless recommended by the Directors, be eligible for election at a general meeting as a Director unless notice has been received from such person. In accordance with the Code and good Corporate Governance practice, the entire Board will stand for re-election at the forthcoming Annual General Meeting.

Topic	Section of the report	Page
Fair view of the Company’s business	Strategic Report	28
Principal risks and uncertainties	Risk management	90
Strategy	Strategic Report	28
Business model	Strategic Report	36
Important events impacting the business	Strategic Report, Chairman’s statement, Co-CEOs Review	14,18,50
Likely future developments	Strategic Report	28
Financial key performance indicators	Key performance indicators	38
Non-financial key performance indicators	Environmental, Social and Governance	68
Environmental matters	Environmental, Social and Governance	68
Company’s employees	Stakeholder engagement, Environmental, Social and Governance	65
Social, community and human rights issues	Stakeholder engagement, Environmental, Social and Governance	76
s.172 and relationship with suppliers, customers and others	Stakeholder engagement, Introduction to governance	66, 103
Greenhouse gas emissions	Environmental, Social and Governance	87

The following matters have been included in the corporate governance report but are incorporated by reference into this Directors’ report.

Directors’ induction and training	Nomination Committee report	121
Diversity report of Board membership (ethnicity and gender)	Nomination Committee report	123

Pursuant to the Articles, Euro Plaza Holdings B.V. (‘Euro Plaza’) may:

- nominate two Non-Executive Directors to the Board for so long as Euro Plaza and its associates directly or indirectly control at least 30% of the issued shares in the Company; and
- nominate one Non-Executive Director to the Board for so long as Euro Plaza and its associates control at least 10% but less than 30% of the issued shares of the Company.

This power was exercised on 9 January 2025 to appoint Roni Hirsch as Non-Executive Director.

Pursuant to the Articles, Boris Ivesha may nominate one Non-Executive Director to the Board for so long as he and his associates directly or indirectly control at least 10% of the issued shares in the Company. The shareholders may, by ordinary resolution, resolve to remove any Director before the expiration of his or her period of office and appoint a replacement Director.

Share capital

The issued share capital of the Company together with the details of the movements in the Company’s share capital during the year are shown in Note 10 to the consolidated financial statements.

Shares

There is currently only one class of share in issue (being ordinary shares) which all carry the same rights as one another. There are no shares in the Company which carry special rights with regard to control of the Company.

The following limitations on voting rights of shareholders apply:

- The Board may suspend the voting rights attached to any shares owned directly, indirectly or beneficially by a Non-Qualified Holder (as defined in the Articles); and
- The Directors may at any time make calls upon the shareholders in respect of any unpaid shares. No shareholder is entitled to vote unless all calls due from him or her have been paid.

The following deadlines for exercising voting rights apply:

- A written resolution will state a date by which the resolution must be passed. Guernsey Law imposes a default lapse date of 28 days from circulation of the written resolution if no lapse date is specified; and
- In the case of resolutions passed at general meetings of shareholders, voting rights may only be exercised at the time the resolution is proposed at the meeting.

Any arrangements by which the financial rights to shares are held by a person other than the registered shareholder would be by agreement between the shareholder and the beneficiary. The Company is not obliged to recognise any such trust arrangements and shall pay any dividends to the registered shareholder.

With the prior approval of the shareholders by ordinary resolution, the Board may exercise all powers of the Company to allot and issue, grant rights to subscribe for, or to convert any securities into, an unlimited number of shares of each class in the Company. Unless such shares are to be wholly or partly paid otherwise than in cash or are allotted or issued pursuant to an employee share scheme, any shares to be allotted and issued must first be offered to the existing shareholders on the same or more favourable terms.

The Company may from time to time acquire its own shares subject to the requirements of UK and Guernsey legislation (for example, the Guernsey Law), the UK Listing Rules the UK Market Abuse Regulation and the Takeover Code (the ‘UK Law’). Prior approval of any share buy-back by way of ordinary resolution of the shareholders is required by UK Law and a certification by the Board that the Company satisfies the solvency test set out in UK Law.

Articles

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the Guernsey Law. A special resolution is passed by a majority of not less than 75% of the votes of the shareholders entitled to vote and voting in person or by attorney or by proxy at a meeting or by 75% of the total voting rights of eligible members by written resolution.

Substantial share interest

This table shows shareholders holding 5% or more of the issued share capital (excluding treasury shares) as at 31 December 2024. No further interests have been disclosed to the Company in accordance with DTR 5 in the period between the end of the financial year and 31 January 2025.

Shareholder	Number of Ordinary Shares	Percentage of the issued Ordinary share capital (excluding treasury shares)
Aroundtown Property Holdings	3,270,345	7.83%
Olal Insurance Enterprises Holdings	3,493,945	8.36%
Harel Insurance Investments and Financial Services	3,811,757	9.12%

Concert Party member	Number of Ordinary Shares	Percentage of the issued Ordinary share capital (excluding treasury shares)
Boris Ivesha	4,636,974	11.10%
Red Sea Parties	13,760,260	32.93%
Euro Plaza	12,207,843	29.21%
Red Sea Club Limited	22,417	0.05%
AA Papo Trust Company Limited ¹	1,530,000	3.66%
Total	18,397,234	44.02%

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 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.

Shareholder	Number of Ordinary Shares	Percentage of the issued Ordinary share capital (excluding treasury shares)
Aroundtown Property Holdings	3,270,345	7.83%
Olal Insurance Enterprises Holdings	3,493,945	8.36%
Harel Insurance Investments and Financial Services	3,811,757	9.12%

Directors’ report – continued

Controlling shareholders

The Company’s immediate controlling shareholders are Euro Plaza Holdings B.V. and Boris Ivesha. Euro Plaza is ultimately controlled by Eli Papouchado, acting in his capacity as trustee of an endowment created under Israeli law (the ‘Endowment’).

The Company has entered into separate relationship agreements with:

- (i)

Euro Plaza and Eli Papouchado (acting in his capacity as trustee of the Endowment); and
- (ii)

Boris Ivesha, which as a concert party hold 43.25% of the issued share capital of the Company.

The Company has complied with (i) the undertakings in UK Listing Rule 6.2.5R; and (ii) UKLR6.6.1R(13) whereby the Company continues to comply with the requirement in UKLR6.2.3R (carrying on its main business activity independently from the controlling shareholders).

In accordance with the relationship agreements entered into the Company’s controlling shareholders, each of Euro Plaza and Boris Ivesha is entitled to appoint representatives to the Board of the Company.

DTR disclosures

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the Guernsey Law. A special resolution is passed by a majority of not less than 75% of the votes of the shareholders entitled to vote and voting in person or by attorney or by proxy at a meeting or by 75% of the total voting rights of eligible members by written resolution.

Eli Papouchado is deemed to be interested in 13,760,260 ordinary shares, which constitutes 32.93% of the issued share capital (excluding treasury shares) of the Company:

- 12,207,843 ordinary shares held by Euro Plaza;
- Euro Plaza is an indirect wholly owned subsidiary of A.P.Y. Investments & Real Estate Ltd (‘APY’). 98% of the shares in APY are held by Eli Papouchado;
- 22,417 ordinary shares held by Red Sea Club Limited, a subsidiary of APY; and
- 1,530,000 ordinary shares held by A.A. Papo Trust Company Limited, which is wholly owned by Eli Papouchado.

Boris Ivesha holds 4,636,974 ordinary shares, which constitutes 11.10% of the issued share capital (excluding treasury shares) of the Company.

Eli Papouchado, Euro Plaza, APY and A.A. Papo Trust Company Limited and other parties related to him (together, the ‘Red Sea Parties’) and Boris Ivesha and other parties related to him (together, the ‘Ivesha 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 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 Red Sea Parties are all considered to be interested in the shares in which the Ivesha Parties are interested.

Rule	Disclosure
DTR 4.1.11R(6)	As announced to the market on 9January 2025, Eli Papouchado stepped down from the Board, and Roni Hirsch was appointed to the Board as Non-Executive Director as a representative of Euro Plaza, with Ken Bradley succeeding Eli Papouchado as Chairman of the Board.
DTR 4.1.11R(1)	Likely future developments are announced in the Strategic Report, including information on pipeline on page 31.
DTR 4.1.11R(2)	Details of the Share Buy-Back programme in place during 2024 are provided on p.155.
DTR 4.1.11R(5)	The worldwide operations of PPHE Hotel Group are set out on p.8.
DTR7.2.1R	Details of the Corporate Governance Code are set out on p. 103.
DTR 7.2.8	Pursuant to DTR 7.2.8, the annual review of the Board Diversity Policy is found in the report of the Nomination Committee at page 123.

Article 19 of the Market Abuse Regulation

The interests of each Director disclosed to the Company under Article 19 of the Market Abuse Regulation as at the end of the financial year are set out above and on pages 104-105. There have been no changes in the interests of each Director in the period between the end of the financial year and 31 January 2025.

Share repurchase

At the Annual General Meeting (‘AGM’) held on 22 May 2024, the Company obtained shareholder authorisation for the buy-back of up to 2,118,165 ordinary shares of nil par value, being approximately 10% of the issued share capital of the Company (the ‘Buy-Back Authority’). This authority renewed and replaced the authority granted at the AGM held on 23 May 2023. The Buy-Back Authority will expire 15 months after the resolution was passed on 22 May 2024 unless modified or terminated earlier by shareholder vote at a general meeting.

During the period 1 January 2024 to 31 December 2024, a total of 616,966 shares were purchased.

UK Listing Rule 6.6.4R

The following table is disclosed pursuant to UK Listing Rule 6.6.4R. The table sets out only those sections of Listing Rule 6.6.1R which are applicable to the Company.

The information required to be disclosed can be located in the Annual Report at the references set out below:

Section	Information	Location
3	Details of long-term incentive schemes	Note 11 to the consolidated financial statements
9	Contracts of significance	Note 12 to the consolidated financial statements
10	Provision of services by a controlling shareholder	Note 28 to the consolidated financial statements
13	Controlling shareholder statement	Directors’ report

Environmental, Social and Governance reporting

UK Streamlined Energy and Carbon Reporting

In line with market practice for UK listed businesses, our Streamlined Energy and Carbon Reporting, UK Scope 1, Scope 2 and Scope 3 emissions, intensity ratio and yearly comparisons are provided in the ESG Report at page 87, including information as to quantification and reporting methodology.

TCFD

The Company has included in its annual financial report climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures. In accordance with UK Listing Rule 6.6.6(8)R, the TCFD Report on pages 84 of this Annual Report and Accounts document represents the disclosure required under the TCFD recommendations.

Energy efficiency action

For energy efficiency actions, please see the ESG section (including the TCFD Report) on page 88.

Auditors

Brightman Almagor Zohar & Co. (a Firm in the Deloitte Global Network) have acted as auditors in the 2024 financial year before the issue of a new audit tender. This is the first year of appointment for this auditor. The Audit Committee report sets out the appointment and onboarding process on page 128. These processes are in line with the Financial Reporting Council’s document ‘Audit Committees and the External Audit: Minimum Standard’, which was published in 2023. The re-appointment of the auditors will be included in the agenda of the Company’s Annual General Meeting.

Going concern

The Board has an obligation under the Code to state whether it believes that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over a specified period determined by the Board, taking account of the current position and the principal and emerging risks of the Company and the Group. The Board believes it is taking all appropriate steps to support the sustainability and growth of the Group’s activities The Viability Statement on page 100 and the report of the Audit Committee contain the necessary information to determine viability over a three-year time horizon.

In determining the assumptions used in cash flow forecasts, the Directors considered various third party market predictions and considered the current principal and emerging risks facing the Group while focusing specifically on macro-economic market disruptions and inflation, and the impact this could have on future performance and liquidity of the Group. Based on these cash flow forecasts, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. This, taken together with their conclusions in Note 1 to the consolidated financial statements, has led the Directors to conclude that it is appropriate to prepare the 2024 consolidated financial statements on a going concern basis.

Directors' report – continued

Financial risk management objectives and policies

The consolidated financial statements include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.

Directors' responsibilities

The Directors are required to prepare the Annual Report and the consolidated financial statements for each financial year to give a true and fair view of the state of affairs of the Company and the undertakings included in the consolidation taken as a whole as at the end of the financial year, and of the profit or loss for that year. In preparing the consolidated financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the consolidated financial statements have been properly prepared in accordance with applicable Guernsey laws and such UK laws and regulations as are applicable. The Directors are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' declaration

So far as each of the Directors, who is a Director at the time the Directors' Report is approved, is aware, there is no relevant audit information of which the Company's auditors are unaware and each has taken all the steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' responsibility statement

Each of the Directors named on pages 104-105 as of the time of the publication confirms to the best of his or her knowledge that:

- the consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, and provides information necessary for shareholders to assess the Company's performance, business model and strategies; and
- the Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

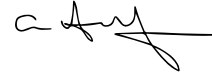
Signed on behalf of the Board by



Boris Ivesha

President & Chief Executive Officer

26 February 2025



Greg Hegarty

Co-CEO & Executive Director

26 February 2025



Daniel Kos

Chief Financial Officer & Executive Director

26 February 2025