

# Introduction to governance

## Letter from the Chairman

I am pleased to present the Corporate Governance Report for the Group in 2025.



**Ken Bradley**

Chairman of the Board of Directors

### Dear Stakeholder,

I am issuing this Report after my first full year in office as the Chairman of PPHE Hotel Group. The Board remains committed to strong governance, stakeholder engagement and delivering sustainable value. It is also the first report made under the 2024 Corporate Governance Code (the 'Code') published by the Financial Reporting Council (FRC). Looking ahead, January 2026 sees the implementation of Provision 29 of the Code, and we have spent 2025 ensuring that we are ready for this measure.

In 2025, we focused on embedding governance enhancements. We conducted a double materiality ESG assessment (see page 59). We have provided our science-based targets for carbon reduction to the Science-Based Targets Initiative (SBTi) (see page 60) for further details. Our ESG strategy pursues robust targets to which we can be held publicly accountable, and we have built a decarbonisation plan around this. More information can be found on pages 58-79, and the report of the ESG Committee on page 121 sets out the Board's approach to oversight.

I am responsible for ensuring we are engaging correctly with all our stakeholders. As part of this, I have formal responsibility for workforce engagement, and I take steps to ensure that there is good shareholder liaison from Board members throughout the year.

### Board composition

As we reported in the 2024 Annual Report and Accounts, we made changes to our Board in January 2025. I was appointed as Chairman and Roni Hirsch came on board as a Non-Executive Director. Roni's appointment was in line with our Relationship Agreement with the Red Sea Group, which allows the Concert Parties to nominate a Non-Executive Director. As such, Roni is not independent within the meaning of the Code. This meant that we revised and updated our succession plans accordingly, as set out in the Nomination Committee report on page 110. We still do not comply with targets on female representation on the Board and in senior roles. Please see the Nomination Committee report for details on our approach to ensuring those targets are met in the future.

### Board performance review

In line with our three-year cycle, an internal review of Board and Committee effectiveness was conducted in 2025, following the external review in 2024 by Independent Audit Limited. The review confirmed that the Board operates effectively and identified actions to further enhance diversity and succession planning. Further details of the Board performance review can be found on page 105.

### Leadership role

The Strategic Report sets out the objectives of the business and what we have done to achieve them this year. Our role in governance mandates that we look at the challenges and risks associated with the achievement of those strategic objectives. The principal risks facing the group, along with our internal control framework in response to those risks, are set out on pages 80-92. This year, shareholders chose

not to approve further share buy-backs and the waiver of Rule 9 of the Takeover Code. We have been engaging with shareholders on this issue and concluded that with the lack of a Rule 9 waiver the buy-backs do not have sufficient shareholder support to continue. We are therefore not seeking shareholder approval for a further buy-back programme in 2026.

### Strategic Review process

The Strategic Review process announced by the Company on 21 November 2025 remains ongoing. The Company will update the market in due course.

### ESG

ESG targets are of increasing importance to our stakeholders each year. Our approach is set out on pages 58-79, and my colleague Marcia Bakker, Chair of the ESG Committee, provides an update on page 121. In 2025, we have submitted our science-based targets to SBTi, which is the culmination of a project to design a decarbonisation plan to give us a roadmap to net zero in 2050. We are taking steps to ensure that our approach is substantive and transparent. To that end, we have completed a double materiality assessment for ESG. The results of the double materiality assessment are on page 59.

### Shareholder engagement

Shareholder engagement is always a key priority for us and, this year, our executives engaged in significant shareholder communications. Our Executive Leadership Team hosted shareholders at the art’otel London Hoxton including a tour of the premises, which helped to bring to life the strategic information we were communicating at that session. Economic headwinds faced by the business mean we need to be very clear in our communications, and shareholders have rewarded us with a frank and open discussion. Speaking both for myself as Chair, and for Nigel Keen, the Senior Independent Director, we remain available to shareholders at all times to discuss their priorities, and welcome the opportunity to do so whenever a shareholder requests.

### Workforce engagement

Our approach to workforce engagement is aimed at ensuring that we have the structures and mechanisms in place to gain direct insight into employees’ experiences of working in the business. Regular engagement is sought through ‘Let’s Talk’ sessions (the Pulse Surveys) and ‘Let’s Connect’ sessions, (regional town hall meetings).

Marcia Bakker has undertaken workforce engagement throughout 2025 through her visits to all hotels in the Netherlands. Employee engagement is an important target, and as Non-Executive Directors, we engage with senior management to review performance of the employee engagement surveys against targets.

As Non-Executive Directors, we undertake site visits in order to engage with the workforce, and, in 2025, we went to art’otel London Hoxton, Park Plaza Amsterdam Airport, Park Plaza Vondelpark Amsterdam and Park Plaza Victoria London. We were pleased to see strong progress on training and development, particularly in the Netherlands in 2025.

### Conclusion

Strong corporate governance is the foundation for stakeholder confidence. Our strategic approaches to economic challenges faced this year brought further assurances that our governance practices are ingrained into the group’s culture and working practices.



**Ken Bradley,**  
Chairman

### Statement of Compliance

For the year ended 31 December 2025, the Board considers that the Company has applied all the principles of, and complied with all provisions of, the 2024 UK Corporate Governance Code (‘Code’) except as set out in the paragraph below and in the Directors’ report on page 136.

The Company continues to comply with Provision 29 of the 2018 UK Corporate Governance Code, as permitted, rather than early adopting the updated Provision 29 in the 2024 Code. Additional disclosures are provided in this governance statement in line with the Financial Conduct Authority’s (FCA) UK Listing Rules, including 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 Corporate 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.

### Non-compliance with the 2024 Code

What follows is a list of the provisions of the 2024 Code with which the Company does not comply:

(1) Provision 11 - of the eight Directors of the Board identified on pages 96-97, three are independent Non-Executive Directors (not counting the Non-Executive Chairman). This is because our most recently appointed Non-Executive Director, Roni Hirsch, is not independent.

(2) Provision 23 - the Board is not 40% female. The roles of CEO, CFO, SID and Chair are all currently held by men. See the Nomination Committee report on page 110 for details on succession planning to provide a pathway to meeting these targets in the future.

(3) Provision 24 - the Chair resigned from the Audit Committee in order to comply with this provision in May 2025; however, he attended two meetings prior to that resignation.

(4) Provision 29 - this provision did not apply in 2025, but applies to the Company from 1 January 2026. The Company continued to follow Provision 29 of the 2018 Code.

The Directors’ Report on page 136 provides further details on compliance with specific requirements.

### Companies Act 2006 section 172

As a matter of good corporate governance, as Directors of PPHE Hotel Group, we make this statement required by Section 172 of the UK Companies Act 2006 and the Financial Reporting Council Corporate Governance Code 2024 (although the Company is Guernsey incorporated and, as such, the Companies Act 2006 has no legal effect).

Each Director of PPHE Hotel Group listed on pages 96-97 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 55).

### Corporate Governance Report

As of 31 December 2025, the Board was composed of eight Directors. Three Directors are Executive Directors, and five are Non-Executive Directors (including the Chair). The Executive Directors are: the President and Co-CEO, Boris Ivesha; the Chief Financial Officer, Daniel Kos, and the Co-CEO, Greg Hegarty. Roni Hirsch is not considered independent, as he is CEO of the Red Sea Group (please see page 136 in the Directors’ report for details of the Red Sea Group’s shareholding in the business, 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.

# Board of Directors as at 31 December 2025



**Kenneth Bradley**

Non-Executive Chairman



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.

**External appointments:**

Director of several private Companies including a regulated Loans company

Director of RAW Capital Partners.

**Board Committees:**

Nomination Committee (Chair), Remuneration Committee, ESG Committee.

**Independent:** Yes

**Year of first appointment:** 2019



**Boris Ivesha**

President & Co-CEO and Executive Director

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.

**External appointments:**

Chairman of the Supervisory Board of the Arena Hospitality Group

**Board Committees:**

N/A

**Independent:** No

**Year of first appointment:** 2007



**Greg Hegarty**

Co-CEO and Executive Director

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.

**External appointments:** N/A

**Board Committees:**

N/A

**Independent:** No

**Year of first appointment:** 2023



**Daniel Kos**

Chief Financial Officer and Executive Director

Daniel has worked with the Group for over ten years, of which the last seven 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.

**External appointments:** N/A

**Board Committees:**

N/A

**Independent:** No

**Year of first appointment:** 2018



**Nigel Keen**

Non-Executive Director & Senior Independent Director



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.

**External appointments:**

Non-Executive Director, RG Carter; Deputy Chairman, Maudsley Mental Health Charity

**Board Committees:**

Nomination Committee, Audit Committee, Remuneration Committee (Chair), ESG Committee

**Independent:** Yes

**Year of first appointment:** 2020



**Stephanie Coxon**

Non-Executive Director



Stephanie joined the Board as a Non-Executive Director in August 2020. She is a qualified chartered accountant, with over 20 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.

**External appointments:**

Non-Executive Director of: Foresight Environmental Infrastructure Limited; International Public Partnerships Limited.

**Board Committees:**

Nomination Committee, Audit Committee (Chair), Remuneration Committee, ESG Committee

**Independent:** Yes

**Year of first appointment:** 2020



**Marcia Bakker**

Non-Executive Director



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.

**External appointments:** N/A

**Board Committees:**

Audit Committee, Nomination Committee, Remuneration Committee, ESG Committee (Chair)

**Independent:** Yes

**Year of first appointment:** 2022



**Roni Hirsch**

Non-Executive Director

Roni was appointed to the Board on 9th January 2025. 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.

**External appointments:**

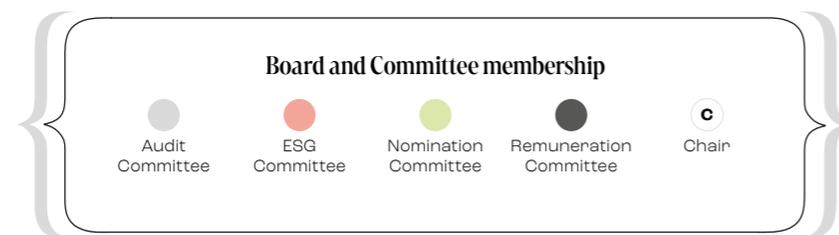
CEO Red Sea Group

**Board Committees:**

N/A

**Independent:** No

**Year of first appointment:** 2025



**Directors whose service ended in 2025.**

On 9 January 2025, we announced that the Non-Executive Chairman, Eli Papouchado was stepping down. This also marked the end of the period of service of the Alternate Director, Yoav Papouchado.

## Executive Leadership Team



**Boris Ivesha**

President & Co-CEO & Executive Director



**Greg Hegarty**

Co-CEO & Executive Director



**Daniel Kos**

Chief Financial Officer & 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 the Board tables for biographies of Boris Ivesha, Daniel Kos and Greg Hegarty.

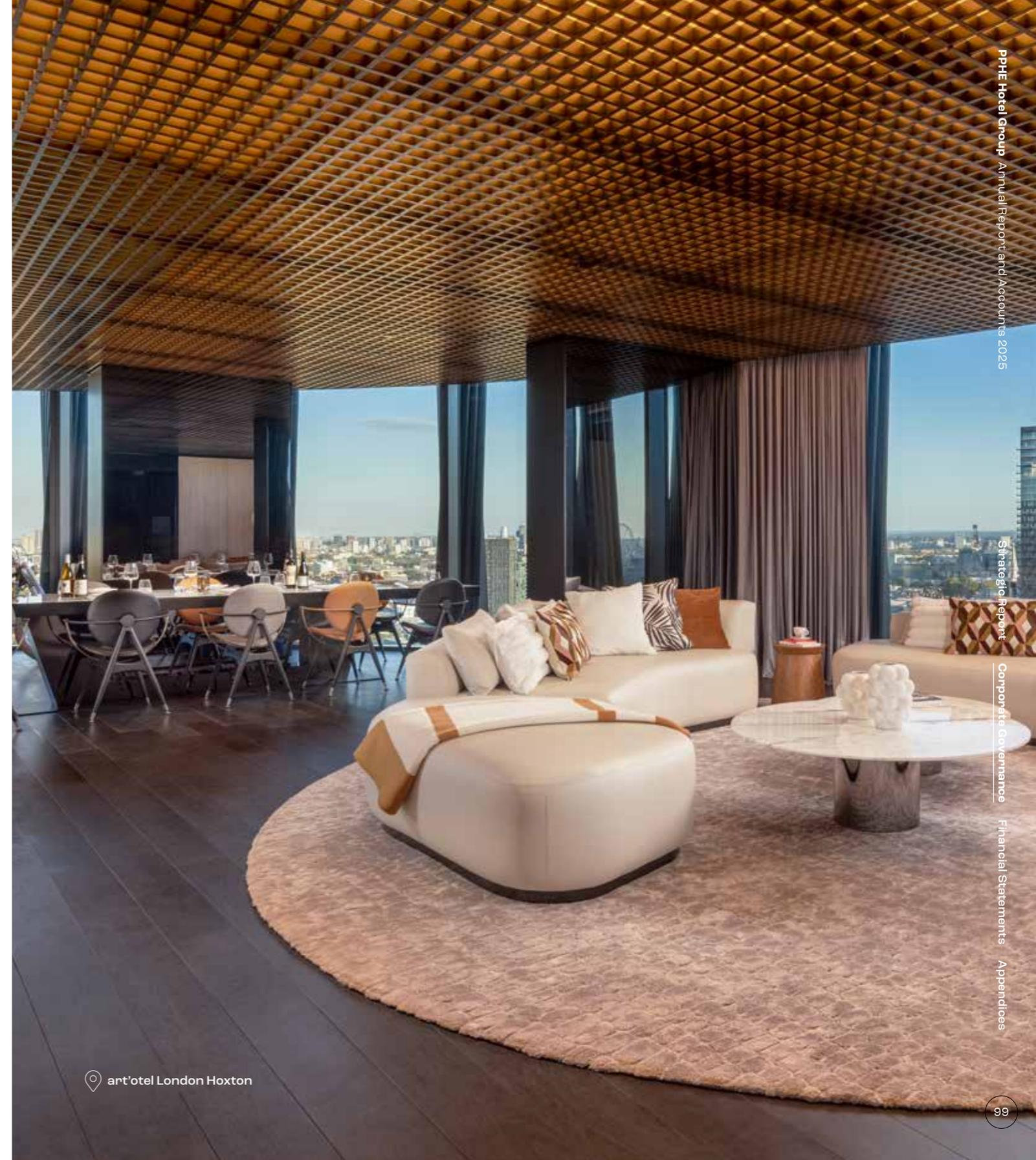
Inbar is a key member of the Executive Leadership Team and PPHE's C-Suite. She joined PPHE Hotel Group in 2010. Inbar heads the Group's Expansion and Development team as well as leading and managing its multi-jurisdictional legal, corporate finance, M&A, Corporate Governance, insurance, compliance and 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 was also formerly a partner at the law firm Bach, Arad, Scharf & Co. Inbar holds an LLB from Tel Aviv University and an LLM from LSE. She is a qualified solicitor in England and Wales and in 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 25 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.

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 Executive 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 property 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 been with PPHE Hotel Group for over 20 years, originally joining as General Manager at what is now Holmes Hotel London. 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. Michelle oversaw the refurbishment and opening of our Rome property, which opened in 2025 and received the prestigious accolade of five stars.



art'otel London Hoxton

# Corporate governance

Board responsibilities	
<b>Strategy and management</b>	<ul style="list-style-type: none"> <li>Define and set the Company's strategy for creating value for all stakeholders, including society as a whole, through sustainable success over the long term</li> <li>Monitor and review performance against strategic objectives</li> <li>Oversee 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</li> </ul>
<b>Structure and capital</b>	<ul style="list-style-type: none"> <li>Determine the corporate structure of the Group</li> <li>Set the internal control framework</li> <li>Determine rules and procedures for dealing in the Company's securities</li> <li>Structure and governance of subsidiaries</li> </ul>
<b>Financial reporting and controls</b>	<ul style="list-style-type: none"> <li>Approve financial and management reports</li> <li>Control of dividend policy and implementation</li> <li>Capital and operating budget management</li> <li>Major capital project oversight</li> </ul>
<b>Risk management and internal controls</b>	<ul style="list-style-type: none"> <li>Review effectiveness of risk and control processes</li> <li>Set the Group's risk appetite</li> <li>Report on risk management</li> <li>Oversee and review internal reporting channels, including whistleblowing reports</li> </ul>
<b>Environmental, Social and Governance</b>	<ul style="list-style-type: none"> <li>Set targets for carbon reduction and other environmental KPIs</li> <li>Aim for carbon net zero</li> <li>Oversee ESG strategy delivery</li> </ul> <p><b>Society and workforce culture:</b></p> <ul style="list-style-type: none"> <li>Promote a guest-focused culture in line with strategy, valuing integrity, transparency and respect</li> <li>Embed a culture that rewards personal and team performance aligned to our strategic and financial objectives to maintain and attract top talent</li> <li>Ensure sustainable value creation for shareholders and for society as a whole</li> </ul> <p><b>Business ethics:</b></p> <ul style="list-style-type: none"> <li>Control and prevention of corporate offences</li> <li>Effective management of data protection and privacy</li> <li>Conflict of interest management</li> <li>Maintain policies for good governance and ethical dealing</li> <li>Compliance with the Corporate Governance Code</li> <li>Ensure 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</li> </ul>
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>Build and maintain successful relationships with a wide range of stakeholders, created on trust, transparency and mutual respect</li> <li>Understand what matters to key stakeholders</li> <li>Ensure that the Board engages with stakeholders directly</li> <li>Oversee executive engagement with stakeholders</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

## Division of responsibilities

The Financial Reporting Council's Corporate Governance Code 2024 (the 'Code') requires a clear separation of powers and responsibilities between the members of the Board. 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.

## Balance of independent Non-Executive Directors

The Code requires that at least half of the Board, excluding the Chair, 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 judgment of each Director, the Board concluded the following:

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

The Executive Board members are not independent, and Roni Hirsch is not independent. See page 136.

	Role	Responsibility
<b>Boris Ivesha</b> President and Co-CEO	<p>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.</p> <p>The Co-CEO provides executive leadership to the business. He is assisted by the C-Suite, comprising the Chief Financial Officer and the Chief Corporate &amp; Legal Officer. Additionally, the Executive Leadership Team supports this role and is accountable to it.</p>	<p>Responsibilities are shared between the two Co-CEOs</p> <ul style="list-style-type: none"> <li>Leading and managing the business</li> <li>Strategic implementation in line with the culture, values and purpose of the business</li> <li>Accountability to the Chairman for achieving key objectives</li> <li>Reporting on strategic development</li> <li>Oversight of Executive Leadership Team</li> <li>Talent development</li> <li>Performance management of the Executive Leadership Team</li> <li>Resource management for the Executive Leadership Team</li> <li>Running the business and being the key decision-maker on day-to-day Company business</li> </ul>
<b>Greg Hegarty</b> Co-CEO	<p>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.</p>	
<b>Ken Bradley</b> Non-Executive Chairman	<p>Ensures that the appropriate governance structure is in place and that the functioning of the Board of Directors is effective.</p> <p>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.</p> <p>Provides independent oversight and scrutiny as required by the Code.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Oversees corporate governance for the Board and ensures that appropriate and tailored standards are in force to comply with the Code</li> <li>As Chair of the Nomination Committee, monitoring the induction programme in place for new Directors as they are appointed</li> <li>Ensures that the Directors are receiving and have access to clear and timely information as needed to make key decisions</li> <li>Oversees annual Board and Committee performance reviews and puts in place a plan to act on the results of the reviews</li> <li>Consulting with the Remuneration Committee about executive remuneration</li> <li>Acting as designated Board member responsible for workforce engagement</li> <li>Communicating with key stakeholders and independent shareholder groups, with the support of the Chief Corporate &amp; Legal Officer</li> <li>Ensures Committee chairs seek shareholder engagement on their Committees' respective areas of responsibility</li> <li>Ensures each Director has a clear understanding of the views of shareholders</li> </ul>

Role	Responsibility
<p><b>Nigel Keen</b> Senior Independent Director</p> <p>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.</p>	<ul style="list-style-type: none"> <li>Shareholder engagement, including providing a channel for shareholder feedback on executives and governance issues in the Company</li> <li>Support of the Chairman in delivering strategic leadership of the Board</li> <li>Evaluating the effectiveness of the Chairman on behalf of the other Directors</li> <li>Supporting annual Board evaluation</li> <li>Challenging the Board where relevant to help in developing proposals on strategy and objectives</li> <li>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</li> <li>Challenging the Board where relevant to help in developing proposals on strategy and objectives</li> <li>Taking the lead in identifying and providing for the development needs of the Non-Executive Directors to enhance the overall effectiveness of the Board</li> <li>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</li> <li>Owns the Remuneration Policy, which is kept updated, and subject to a shareholder vote once every three years</li> </ul>

Board activities in 2025

**Strategy, operational performance and risks**

- Conduct of 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 20 – regular updates on the growth opportunities discussed
- Principal risk oversight – see pages 90-91 for the business's principal risks
- Regular Board-level oversight of risk management
- Internal and external audits – outputs of audits received at Board level
- Evaluation of performance of internal and external auditors

**Succession and talent**

- 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 recruitment
- Regularly reviewed structure, size and composition of the Board, including its gender and ethnic diversity
- Conducted annual internal review of the Board and its composition to ensure ongoing fitness for purpose: review covering skills, knowledge, experience and diversity.

**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 the associated announcements and 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 internal control framework measures.
- Monitored internal control framework activities with a view to the introduction of the requirements of Provision 29 of the Code from 1 January 2026.
- Reviewed and approved updates to the Significant and Related Party Transactions Policy
- Responded to investors collectively in announcements following votes at the 2025 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
- 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
- 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 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. 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 Chairman and Senior Independent Director for this. The Chair of the Nomination Committee monitors external appointments for all Board members to ensure sufficient capacity.

Oversight requires all Board and Committee members to ensure 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 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 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 Chair and Board on all governance matters
- Ensures 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 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 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 the Board is adequately resourced for effective and efficient function (alongside Chief Corporate & Legal Officer)

### Board performance review

The Board evaluates its performance and the effectiveness of Board Directors and Board Committees on an annual basis. Every three years, this annual review is conducted by an external evaluator.

The purpose of the review 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.

In 2025, the evaluation was conducted by the Non-Executive Chairman by holding individual structured interviews with all Directors, the Chief Corporate & Legal Officer and the Company Secretary. The process has provided positive feedback on the Board's performance, allowed us to review the 2024 priorities and provide valuable feedback on suggestions for further enhancements in the coming year. A summary is included in the table.

### Board performance review summary

Focus area	2025 Priorities and Outcomes
The Board	(1) Following 2024 recommendations, the Board has developed its reports to facilitate more strategic discussions in Board meetings. (2) The agenda for the Strategy Day was also enhanced to ensure a wide range of discussions was encouraged, and time used efficiently.
<b>Committees:</b>	
Audit Committee	The Audit Committee was rated highly and maintained a focus on emerging risks and preparation for Provision 29 reporting.
ESG Committee	(1) Following 2024 recommendations, the Committee has provided greater clarity around its role and its purpose. (2) The Committee appointed consultants to support delivery of the net-zero roadmap. The Committee was assessed as performing consistently well.
Nomination Committee	Director development was supported as per 2024 recommendations. Legal, ESG and IT cyber risk activities are focus for 2026.
Remuneration Committee	As recommended by Independent Audit Limited, the Committee reviews Company-wide pay and employment policies and reviews the staff opinion surveys to identify any gaps.

The areas of focus for 2026 are:

### Meetings and Committees

- Review the succession planning for the Board and senior managers
- Ensure adequate time is allocated to key projects and strategic presentations and discussions

### Strategy, risk and finance

- Continue to develop agenda for strategy away-day and consider opportunities for third party inputs to aide challenge and debate
- Maintain a strong focus on emerging and developing risks
- Maintain a strong focus on the refinance risks and ensure a disciplined cost focus including development and asset management projects

### People, culture and stakeholders

- Continue to build strong and collaborative approach between management and Board members
- Continue with staff engagement activities and endeavour to obtain deeper analysis into the results of the staff opinion survey
- Revise Board Director development opportunities with a focus on IT and AI, utilising external and internal resources

**Board meetings: Procedures**

<b>Notices and review of any conflicts arising</b>	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.
<b>Notices and review of any conflicts arising</b>	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.

<b>Standing Agenda Items</b>	(1) Strategy (2) Management updates from: • Executive Directors • Executive Leadership Team (3) Updates on corporate governance by Senior Independent Director and Chair of the ESG Committee (supported by the Chief Corporate & Legal Officer)
<b>Non-members in regular attendance</b>	Chief Corporate & Legal Officer
<b>Board succession planning</b>	Regular Executive Leadership Team attendance of Board meetings is part of our succession plan (talent development).

**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.

**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. It is considered 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 the 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 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.

**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 (subject to oversight by the ESG Committee of the Board)
- Reputation and stakeholder management;
- Risk management
- People, culture and values
- Talent and succession
- Information technology and cyber

The C-Suite had monthly business update calls with the Non-Executive Directors in 2025. Further, the Non-Executive Directors conduct sub-meetings following the business update calls without others in attendance to ensure good oversight and to ensure that information flows and transparency are well maintained. These regular and structured meetings and discussions at varying levels of the Board enables the Board to effectively carry out its duties and make swift decisions. Open communication between the Non-Executive Directors and the Executive Leadership Team has been found to be very effective as it allows the Non-Executive Directors to engage directly to ensure that management takes connective 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 and 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 with a framework and guidance. When reviewing policies, the Board takes account of developments in the law, in stakeholder expectations 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 Environmental, Social and Governance section of the Annual Report and Accounts 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:

- pulse 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. In 2026, I.T. modernisation remains a focus, with attendant obligations on team members to update ways of working as systems are updated and cloud migration of critical infrastructure takes place.

Team members are engaged and enthusiastic, and we observed a positive culture where team members felt able to speak up and express their views. There are challenges related to recruitment and retention difficulties experienced by the sector as a whole, but the Board is satisfied that management has appropriate mitigating actions in place where possible.

**Workforce engagement**

Provision 5 of the Code specifies mechanisms for ensuring Board workforce engagement. In line with that provision, the Chairman, Ken Bradley, is the designated Board member responsible for workforce engagement. Other members of the Board have also been involved in supporting him in this function.

Team members’ loyalty and dedication is vital to the long-term, sustainable success of the business. They understand the key aim is to create the best possible experiences for hotel 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.

A works council operates in the Netherlands. In the UK, a Team Member Forum meets regularly. Each hotel and Regional Office has a representative group from every department which meets with the General Manager every month (Regional Office-based staff meet with the Executive Vice President of Operations, UK). Every quarter, one person from each of those forums represents their hotel at a Regional-level meeting with the Executive Vice President of Operations, UK. A representative of Unite the Union is also invited to the Regional forum. Every hotel also hosts regular town halls for their teams with the General Managers, which includes a Q&A session called ‘Let’s Connect’.

**Board site visits**

The Non-Executive Directors completed site visits to:

- Art’otel London Hoxton;
- Park Plaza Park Royal London;
- Park Plaza London Westminster Bridge; and
- the site of a proposed development in the Waterloo area of London.

Further, the Non-Executive Directors held meetings with all General Managers in the Netherlands, and had quarterly meetings with the Executive Vice Presidents for the UK and the Netherlands and Italy regions. The Non-Executive Directors reported their finds back to the Board and Executive Leadership Team, with follow-up actions where required.

**Pulse surveys**

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

Pulse surveys took place online on an anonymous basis and were conducted by an external partner. The overall responses to the engagement questions were positive.

**Board and Committee meetings**

In accordance with the Code, the Board 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 Board 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, and engaging with key stakeholders.



Develops. Plans. Evaluates. Nominates.

Oversees current needs and evaluates, plans for the future, monitors, advises, 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 110



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 115



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 123



Future plans. Safeguards. Sustains.

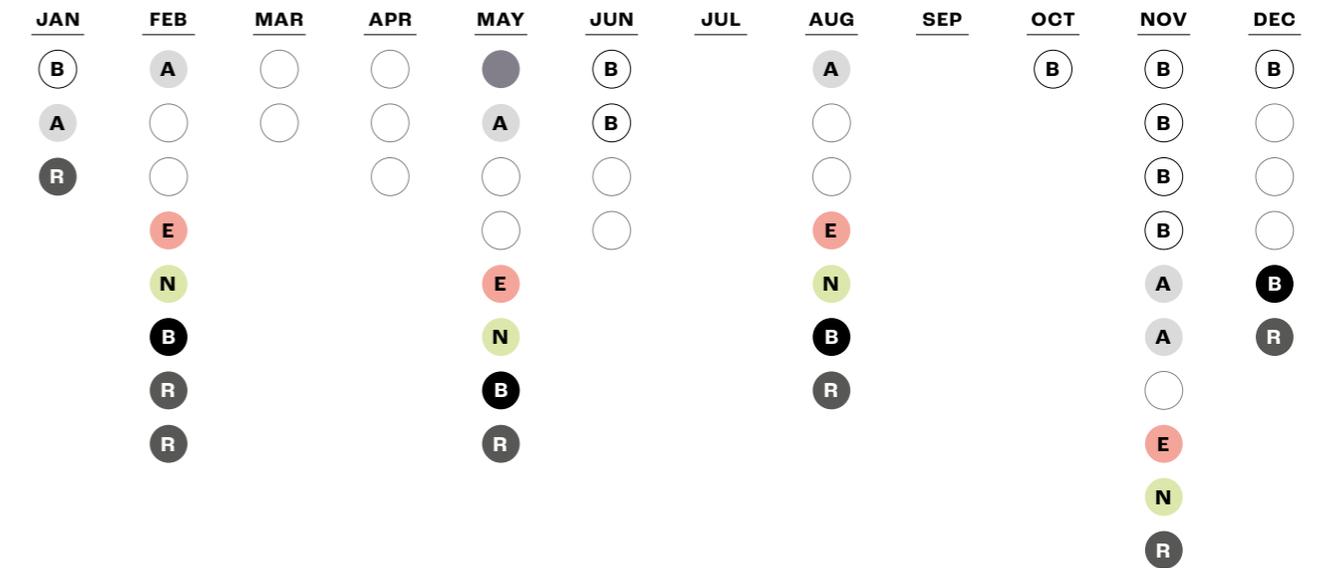
Oversees the approach to sustainability and adding value for our people, our places and our planet.

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

➔ Report available on page 121

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

Board and Committee meeting calendar 2025



- B** Quarterly Board meeting
- A** Audit Committee meeting
- E** ESG Committee meeting
- N** Nomination Committee meeting
- R** Remuneration Committee meeting
- Annual General Meeting
- E** Extraordinary General Meeting
- Committee meeting

Director attendance calendar 2025

Director	Ad-hoc Board meeting		Annual General Meeting		Audit Committee meeting		Committee meeting		ESG Committee meeting		Extraordinary General Meeting		Nomination Committee meeting		Quarterly Board meeting		Remuneration Committee meeting		
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	
Boris Ivesha	7	9	0	1	0	0	1	17	0	0	0	0	0	0	0	4	4	0	0
Daniel Kos	9	9	0	1	0	0	1	17	0	0	0	0	0	0	0	4	4	0	0
Greg Hegarty	8	9	0	1	0	0	0	17	0	0	0	0	0	0	0	4	4	0	0
Roni Hirsch	8	8	0	1	0	0	0	17	0	0	0	0	0	0	0	4	4	0	0
Kenneth Bradley	9	9	1	1	2	2	14	17	4	4	0	0	4	4	4	4	7	7	
Nigel Keen	9	9	0	1	5	6	3	17	4	4	0	0	4	4	4	4	7	7	
Stephanie Coxon	8	9	0	1	6	6	16	17	4	4	0	0	4	4	4	4	6	7	
Marcia Bakker	9	9	0	1	6	6	4	17	4	4	0	0	4	4	4	4	7	7	

# Nomination Committee report



**Ken Bradley**

Non-Executive Chairman to the Board of Directors

## Letter from the Chair of the Nomination Committee

### Dear Stakeholder,

Good governance is achieved by assembling a Board with the requisite expertise and diversity of opinion. With this in mind, we have worked to deliver on the priorities of stakeholders and the Corporate Governance Code 2024 (the 'Code'). I am pleased to present this Report of the Nomination Committee for 2025, in which we focused on our Board evaluation, on the induction of our newest Director and on succession planning.

### Board composition and succession planning

PPHE Hotel Group is led by long-standing, exceptional executives. As the independent Non-Executive Chairman, it is my role to balance this by ensuring oversight by diverse, regularly rotated and independent non-executives. I hold the responsibility for discharging the governance requirements of the Code.

As required by the Listing Rules, the table on page 114 shows our reporting of Board composition with respect to protected characteristics (as defined by the Equality Act 2010). Our Board members are from different nationalities, which makes the use of UK government classifications of ethnicity as required by the reporting format difficult to reconcile with the identities of our Board members.

Succession planning is key to ensuring that there is a roadmap internally to meeting diversity representation 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.

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. The Board remains committed to promoting diversity and will ensure this remains a core priority as part of its long-term succession planning.

The Senior Vice President of Human Resources & Talent Technology attends two of the four quarterly meetings to discuss succession planning and to allow us to oversee the process for ensuring a diverse pipeline. Other matters discussed with him include employee engagement survey results and action plans arising therefrom.

The Board is headed by a Non-Executive Chairman. In addition to the Chairman, there are four other Non-Executive Directors, and three Executive Directors. The founders of the business maintain rights to appoint Directors as set out in the Articles of Incorporation available on the Company website.

All our Board Directors are subject to annual election or re-election by shareholders at the Annual General Meeting (AGM). Marcia Bakker, Stephanie Coxon and Nigel Keen are considered to be independent. Roni Hirsch is not considered to be independent. Consequently, less than 50% of the Board is composed of independent Non-Executive Directors (see page 96-97). The Non-Executive Directors 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 & Co-CEO Boris Ivesha and Co-CEO Greg Hegarty.

In January 2025, there were two main changes to the Board: we welcomed Roni Hirsch to the Board as a Non-Executive Director. Eli Papouchado stepped down from the Non-Executive Chairmanship of the Board and I replaced him. Yoav Papouchado, as Eli Papouchado's Alternate Director ceased to hold this position automatically.

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 are conducted 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 Non-Executive Directors. Each Director is individually, and the Board is collectively, subject to an annual performance review. This review 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.

### Looking ahead

I am focused on the duties the Code requires of an independent Chairman. 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. I am excited by our ongoing engagement with our shareholders on the company's vision and strategy for success, and I look forward with anticipation to 2026.

### Ken Bradley

Chair of the Nomination Committee

## Nomination Committee activities and focus in 2025

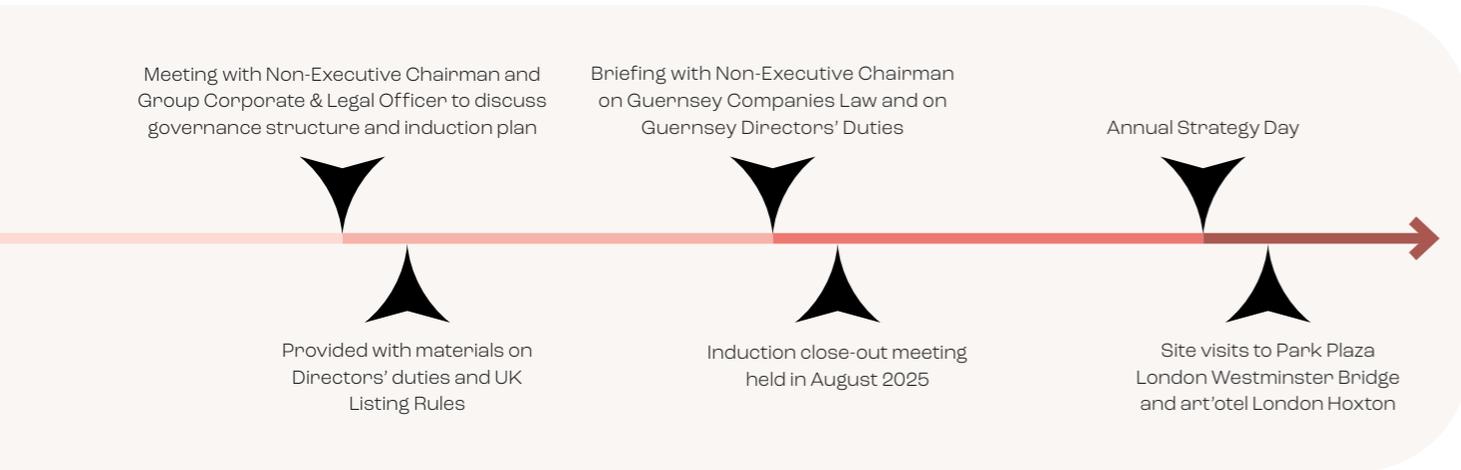
Function	Actions in 2025
<b>Board and Committee composition</b>	<ul style="list-style-type: none"> <li>• Reviewed the composition of the Board to determine that it remains suitable and effective to support the culture, values and strategy of the business</li> <li>• Conducted the annual Board performance review in line with the three-year cycle (see diagram) of external assessment. In 2025, we conducted the review internally</li> <li>• Reviewed the effectiveness and performance of the Committee</li> <li>• Ensured policies and procedures for diversity, equal opportunity and inclusion at all levels of the organisation were maintained</li> </ul>
<b>Succession planning for Board and Executive Leadership Team</b>	Maintaining ongoing review and annual update of succession planning for: <ul style="list-style-type: none"> <li>(a) Board Directors; and</li> <li>(b) Executive Leadership Team.</li> </ul>
<b>Diversity and Talent Management</b>	<ul style="list-style-type: none"> <li>• Ensured diversity requirements in succession plans</li> <li>• Considered KPIs for monitoring DE&amp;I elements of the ESG strategy</li> </ul>
<b>Workforce engagement</b>	The Committee reviewed outputs of employee engagement, and incorporated targets into the ESG strategy. Marcia Bakker visited the Netherlands hotels. The Committee conducted site visits to: <ul style="list-style-type: none"> <li>• Three hotels in London; and</li> <li>• Two proposed development sites in London (Waterloo and Leman Street).</li> </ul>

## 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 me before the programme commences and mid-way to identify any gaps. This was the procedure supporting Roni Hirsch's appointment as Non-Executive Director.

The induction process introduces 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.

Roni Hirsch, as CEO of Red Sea Group, the Company's controlling shareholder, has been with Red Sea Group since 1993 and, as such, is very familiar and engaged with the Group.



**Succession planning**

We recognise 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'. We are proud of our track-record in developing and nurturing talent internally, but we also look outside where this helps us diversify our ways of working.

**Board succession planning**

We have evaluated the composition and functioning of the Board in light of the new Board members as well as road-mapping 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.

Roni Hirsch's appointment was made under the power given to Euro Plaza under its Relationship Agreement with the Company and as 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.

**Executive Leadership Team succession planning**

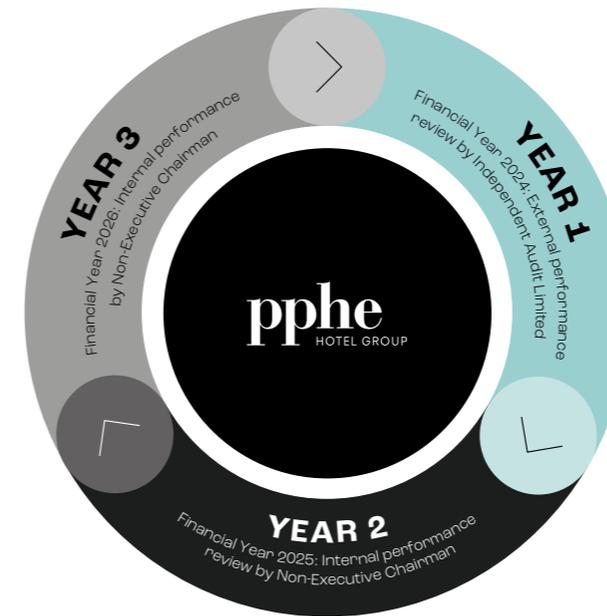
Individuals whose contribution to executive leadership can be considered for appointment to the Board where this is deemed necessary and appropriate for the business.

PPHE Hotel Group has benefited from a strong talent pipeline. Our Executive Leadership Team members 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 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 Diversity, Equity and Inclusion (DE&I) elements into the strategy.



**Board performance review**

PPHE Hotel Group uses a three-year cycle of internal and external Board performance reviews. The purpose of the Board performance review is to conduct a formal, rigorous annual evaluation of Board performance, the functioning of the Board's Committees, and the performance of individual Directors. The scope of the performance review includes Board dynamics, culture, behaviour and decision-making.

In 2024, Independent Audit Limited conducted the externally facilitated evaluation of Board performance. We are now in year one of the three-year cycle shown in this diagram.

Priorities for 2026 are set out in the introduction to governance.

**2025 Board evaluation summary (with updates on 2024 outcomes)**

Priorities identified in 2024	2025 update
<p><b>The Board</b></p> <ul style="list-style-type: none"> <li>Reconsider how time is used in Board meetings to enable more strategic-level discussions.</li> <li>Develop the form and content of Board papers to facilitate higher-level discussion and achieve greater efficiency of oversight.</li> </ul>	<ul style="list-style-type: none"> <li>The Board has developed some of the reports to ensure more strategic discussions are enabled at Board meetings.</li> <li>The agenda for the Strategy Day was also enhanced to ensure a wide range of discussions was facilitated. This is also a priority for 2026, including third party inputs to aid challenge and debate.</li> </ul>
<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>The Audit Committee has played a positive part in the sustained improvement of the Company's risk management.</li> </ul>	<ul style="list-style-type: none"> <li>The Audit Committee was rated highly and maintained a focus on emerging risks and preparation for Provision 29 reporting. It will focus on emerging and developing risks in 2026.</li> </ul>
<p><b>ESG Committee</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Committee has provided greater clarity around its role and its purpose, and has appointed Greenview consultants to support delivery of our roadmap.</li> <li>In the 2025 evaluation, the ESG Committee progress was evident and it was assessed as performing consistently well.</li> </ul>
<p><b>Nomination Committee</b></p> <ul style="list-style-type: none"> <li>The Committee could usefully give more time and attention to Director development.</li> </ul>	<ul style="list-style-type: none"> <li>Director development was supported with some Legal, ESG and IT cyber risk activities and will remain a focus for the next year.</li> <li>Succession planning for Board and senior managers to be reviewed in 2026.</li> </ul>
<p><b>Remuneration Committee</b></p> <ul style="list-style-type: none"> <li>There is an opportunity to broaden the scope of the Committee's activities to cover Company-wide pay and employment policies.</li> </ul>	<ul style="list-style-type: none"> <li>The Committee reviews Company-wide pay and employment policies and reviews the staff opinion surveys to identify any gaps (as recommended by Independent Audit Limited in the 2024 review).</li> </ul>

**Position of the Chairman of the Board**

I became Chairman 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.

**Board diversity**

Shareholders require diversity amongst Board members to ensure that the business is led by a group with varying backgrounds and expertise, without a single, dominant presence in the form of an individual or class of individuals dominating and 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 the 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 Board Diversity Policy mandates that we consider gender balance in senior management and their direct reports. Our Board and the 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.

When considering succession planning and appointments, the Committee gives due consideration to the advantages of a wide range of experiences and perspectives bring 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. In this way, we seek to move towards compliance with the requirements for minimum 40% female representation on our Board, as well as a woman in one of the following positions: CEO, CFO, SID or Chairman.

**Diversity disclosures**

Disclosures in this table are made in line with the reporting requirements set out in the UKLRs (UKLR 6.6.6R(10) and UKLR 6 Annex 1R). Direct reports to the senior management are set out in the tables on page 96-97.

**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 does not wish to disclose could compliantly be included under the heading ‘not specified / rather not say’. Data is correct as of 31 December 2025.

	No. of Board members	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive management
<b>Reporting on sex and gender identity<sup>1</sup></b>					
Men	6	75%	4	5	71%
Women	2	25%	–	2	29%
Other categories	–	–	–	–	–
Not specified / prefer not to say	–	–	–	–	–
<b>Reporting on ethnic background</b>					
White British or other white (including minority white groups)	6	75%	3	6	86%
Mixed / multiple ethnic groups	–	–	–	–	–
Asian / Asian British	–	–	–	–	–
Black / African / Caribbean / Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified / Prefer not to say	2	25%	1	1	14%

**Notes to the table**

<sup>1</sup> The tables on page 96-97 set out the members of the Board. Members of the Executive Leadership Team are a separate population and are identified in these tables.

**Audit Committee report**



**Stephanie Coxon**

Chair of the Audit Committee

**Letter from the Chair of the Audit Committee**

**Dear Stakeholder,**

As Chair of the Audit Committee, I am pleased to present the Committee’s report for the year ended 31 December 2025. This Report has been prepared in accordance with the requirements of the Corporate Governance Code 2024 and provides a fair, balanced and transparent overview of the Committee’s activities and priorities. Strong governance depends on accountability, and the Committee continues to welcome feedback from stakeholders to ensure our reporting remains both compliant and responsive.

The Audit Committee provides independent oversight of the Company’s financial reporting, internal audit activities, risk management framework and system of internal controls. In line with the Code, the Committee comprises members with appropriate and relevant expertise in auditing and accounting, enabling effective challenge and scrutiny. The Committee also oversees the appointment, independence and effectiveness of the external auditors, who provide assurance over the Company’s financial performance. Through this work, the Committee seeks to support stakeholder confidence in the Company’s viability and long-term resilience.

During 2025, Brightman Almagor Zohar & Co (a member of the Deloitte Global Network) completed their second audit of the Company’s Annual Report and Accounts. The Committee monitored audit quality and effectiveness throughout the year and was satisfied with the auditors’ independence, objectivity and professional scepticism.

The year included a continued focus on the revised Corporate Governance Code and the evolving landscape of ESG reporting. In

particular, the Committee has taken steps to prepare for the implementation of Provision 29, reviewing and enhancing the Company’s approach to internal controls, documentation and assurance processes in advance of its effective date. The Committee also focused on ensuring that disclosures relating to governance, strategy, risk management and environmental metrics are robust, transparent and aligned with stakeholder expectations. Further details are set out in the ESG report on page 121.

**The Role of the Audit Committee**

The Audit Committee plays a key role in assisting the Board to:

- ensure that the Group’s financial systems provide accurate, timely and reliable information on its financial position;
- confirm that the Group’s published consolidated financial statements and related announcements present a true, fair and balanced view of its financial position;
- oversee and monitor the Company’s risk management framework, covering internal controls, and both financial and non-financial risks;
- ensure that appropriate accounting policies, internal financial controls and compliance procedures are in place and operating effectively;
- Monitor and review the effectiveness of the internal audit function; and
- review and assess the quality and effectiveness of the external audit process, as well as the independence of the external auditors, including leading the process for their appointment and ongoing evaluation.

The Audit Committee receives and reviews information from the Executive Leadership Team, the Head of Internal Audit and Risk, the internal Legal, Compliance, Audit and Risk teams, and the external auditors

**Membership of the Audit Committee and meeting attendance**

Name of Director	Meetings attended	Eligible to attend
Stephanie Coxon (Chair)	6	6
Marcia Bakker	6	6
Nigel Keen	5	6
Ken Bradley	2	2

throughout the year to enable it to discharge its responsibilities effectively. Suntera Limited continues to provide Company Secretary services, ensuring the Committee has the policies, processes, information, time and resources required to function efficiently. The Audit Committee reports regularly to the Board on how it has fulfilled its responsibilities. The Committee’s terms of reference are available on the Company’s website.

**Audit Committee activities and focus in 2025**

Function	Actions in 2025
<b>Financial Reporting</b>	<ul style="list-style-type: none"> <li>Reviewed the Interim Report and Financial Statements for the half-year ended 30 June 2025.</li> <li>Reviewed the Annual Report and Accounts to ensure that, taken as a whole, it is fair, balanced and understandable.</li> </ul>
<b>Monitor and review the effectiveness of the Group’s system of internal controls and risk management</b>	<ul style="list-style-type: none"> <li>Oversaw the initial implementation of a reportable controls framework to support future compliance with Provision 29 of the Code.</li> <li>Reviewed the effectiveness of the Internal Audit and Risk function and confirmed adequate resourcing.</li> <li>Oversaw the annual refresh of the Risk Appetite Statement and reviewed emerging risks, including climate-related and geo-political risks.</li> </ul>
<b>Oversee ethical dealings and compliance for the Group</b>	<ul style="list-style-type: none"> <li>Reviewed climate risk integration within the ERM system and ensured alignment with the Group’s sustainability strategy.</li> <li>Supported the ESG Committee in overseeing assurance processes relating to ESG disclosures in the Annual Report.</li> <li>Approved Responsible Business policies for the prevention of bribery and corruption, fraud and the facilitation of tax evasion.</li> </ul>
<b>Review the Group’s external audit function</b>	<ul style="list-style-type: none"> <li>Monitored the external audit process, including review of the audit plan and key findings, and assessed the independence and objectivity of the external auditors, confirming compliance with the FRC’s External Audit: Minimum Standards and Non-Audit Services Policy.</li> </ul>

**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 Code, the Guidance on Audit Committees and the publication “Audit Committees and the External Audit: Minimum Standard”. The conclusion of the 2025 assessment of the effectiveness of the Audit Committee was that the Committee is effective in the discharge of its duties and compliant with the Code.

**Relevant skills and experience**

The Audit Committee is composed entirely of independent Non-Executive Directors. Collectively, the Committee has the background, qualifications, skills and experience required by the Code. The Committee has competence relevant to the sectors in which the Company operates, and includes members with recent and relevant

financial experience. Consistent with the Code, the Board Chairman is not a member of the Audit Committee with effect from May 2025. The Board and the Nomination Committee review the Committee’s composition regularly and remain satisfied that it is properly structured and appropriately resourced to discharge its duties.

**Audit Committee schedules and resources**

Audit Committee meetings are scheduled approximately one week in advance of Board meetings, allowing the Committee’s actions and recommendations to be considered by the Board in a timely manner. Committee members have direct access to the Executive Leadership Team, key corporate functions and the external auditor, with representatives from these groups attending meetings at the invitation of the Committee on an ad-hoc basis.

The Committee receives regular updates on financial performance, information technology, operational matters and progress against strategy from relevant executives. These updates are typically provided by the Co-Chief Executive Officers, the Chief Financial Officer and the Chief Corporate & Legal Officer.

The Head of Internal Audit and Risk reports directly to the Audit Committee and provides monthly updates to the Committee Chair on non-financial reporting matters, including enterprise risk management and progress against the internal audit plan. This reporting structure supports the Committee’s independent oversight of risk management and internal audit activities.

Suntera Global continues to provide Company Secretarial services to the Committee, ensuring it has access to the policies, processes, information, time and resources required to operate effectively.

**Relationship with the Board**

The Audit Committee was allocated sufficient time ahead of and in Board meetings to address any potential conflicts between the Board and the Committee. If any such disagreement remain5 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. 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 2025.

**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. The Committee also monitors the auditor’s independence, objectivity and the audit quality, including compliance with the FRC’s Audit Committees and the External Audit: Minimum Standard.

**Oversight of the external auditors and audit**

The Committee and its Chair take steps throughout the year to remain fully informed on the progress of the audit and to ensure it remains aligned with the audit plan presented to the Committee. The Committee seeks to satisfy itself that the audit process is effective and that there is full engagement from management and relevant internal teams.

Regular meetings with the external auditor enable the Chair and Committee to ask questions, review the audit’s scope and confirm that it is comprehensive, including the identification of any gaps. The Committee also challenges the auditor on its sources of information and the basis of its conclusions. The auditor is required to report against the agreed audit plan, including explanations for any changes made during the course of the audit.

**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 was comprised the key risks identified by the business and the strategy as set out in the Annual Report and Accounts. The audit plan 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 in November, the external auditor presented their audit plan to the Audit Committee for discussion. The plan was based on the key risks identified by the business and the strategy outlined in the Annual Report and Accounts. Throughout the year, the audit plan provided the framework for the Committee’s questions and engagement with the external auditors, as well as for the Committee’s final assessment.

After reviewing information from relevant management functions and holding regular meetings with the auditors, the Committee is satisfied with the effectiveness of the Group’s external audit and the integrity of both the financial and narrative statements of the relevant management functions, and having 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.

**2025 audit plan**

In 2025, the Audit Committee instructed the external auditors to focus on the following areas:

- Impairment of property, plant and equipment and right-of-use assets, including related disclosures;
- Recoverability of deferred tax assets; and
- Loan refinancing arrangements,

The Audit Committee held a discussion with Deloitte to obtain their informal feedback on its assessment of the internal control framework, in preparation for the implementation of Provision 29 of the Code.

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

This also allows the Audit Committee to understand how the external auditors have been professionally sceptical in their procedures and discuss any areas on which they have challenged management. The Committee wishes the external auditors to maintain an attitude of challenge to management’s assertions, and this has facilitated an open culture of questioning and information gathering.

The opinion of the external auditors is available on page 141.

**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 conducted a thorough evaluation of the external auditors’ performance during the year. The results of this review indicated a high level of satisfaction with the quality, effectiveness, and professionalism of the audit.

**Policy on engaging external auditors to supply non-audit services**

The Committee oversees the Non-Audit Services Policy, which is reviewed annually and is aligned with the FRC Ethical Standard 2024 and Minimum Standard. The policy sets out the circumstances and financial limits within which the auditors may provide non-audit services, whether a tender process is required, and the information to be considered to ensure auditor independence and objectivity are maintained.

Non-audit engagements are approved only where they do not compromise independence or objectivity and where the auditor is demonstrably best placed to perform the work, such as the interim review of half-year results. The Committee monitors aggregate non-audit fees and confirms that the nature and extent of services provided during 2025 did not impair auditor independence.

The Audit Committee regularly reviews the policy to reflect changes in standards or regulatory requirements and monitors compliance to ensure the Company’s non-audit services remain consistent with the FRC’s revised ethical requirements.

The audit fees due to the external auditors amounted to £613,000. In 2024, the fees were £586,000.

Total non-audit fees amounted to £120,000. In 2024, total non-audit fees were £112,000. The Auditor’s non-audit services were as follows:

The 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 auditor also provided certain assurance services to our subsidiary, Anena Hospitality Group. Although this is considered to be a

## Audit Committee report – continued

non-audit service, local law requires the statutory auditor to perform such services.

The Audit Committee considered the provision of the non-audit service during the 2025 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 Internal Audit and Risk has a dotted reporting line to the Chief Financial Officer and Executive Director, Daniel Kos. The internal audit function's management of risk and internal controls, and the Committee's oversight of it follows the FRC's Corporate Governance Code Guidance and Guidance on the Going Concern Basis of Accounting and Related Reporting.

The Committee is responsible for monitoring and reviewing the effectiveness of the internal audit function and its compliance with Global Internal Audit Standards. This requires there to be monthly meetings with the Head of Internal Audit and Risk 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 that of other Board members is required by specific invitation to discuss relevant matters).

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, with reporting prioritised for major and moderate findings. The Audit Committee may

### 2025 Internal Audit Work Plan

To develop the internal audit and assurance plans, the enterprise risks of the business are mapped against all identified auditable areas. For each auditable area, any key changes or incidents that could indicate an increased risk profile are assessed, along with any management concerns raised by the Executive Leadership Team. These inputs are then used to determine and prioritise the areas requiring assurance work, to be delivered either by Internal Audit or by appropriate third party specialists. During 2025, internal audit and risk resources were required to deliver other key workstreams to support the Board in preparing for meeting the updated requirements of Provision 29 of the UK Corporate Governance Code. Independent assurance over cyber defence controls was provided through a structured penetration testing programme carried out by third party specialists throughout the year.

Areas of focus	Scope
<b>IT change management</b>	<ul style="list-style-type: none"> <li>Follow-up review of IT change management procedures following external audit observations</li> </ul>
<b>Material control testing</b>	Evaluation of material controls across financial, operational and compliance processes including: <ul style="list-style-type: none"> <li>Treasury &amp; Cash Management</li> <li>Hire to Retire</li> <li>Procure to Pay</li> <li>Project Development</li> <li>Crisis Management and Operational Continuity</li> <li>Personal Data Privacy</li> <li>Anti-Bribery and Corruption</li> <li>ESG – Strategic Delivery</li> </ul>
<b>Data Subject Access Requests – Process review</b>	<ul style="list-style-type: none"> <li>Assessment of the design and operating effectiveness of Data Subject Access Request (DSAR) response procedures</li> </ul>

### Other key workstreams in 2025

Workstream	Description
<b>Internal control framework documentation (Provision 29 preparation)</b>	Full update of internal control framework and obtaining Board confirmation of material controls across Financial, Compliance, Information Technology, Operational and entity-level procedures.
<b>Risk and control software implementation (Provision 29 preparation)</b>	Implementation of new software, professional user training and roll out to business users.
<b>Corporate Governance Code - Provision 29 preparation</b>	New Group Internal Control Policy development for Board approval.
<b>Follow-up programme</b>	Ongoing follow-up of outstanding actions including escalation of overdue items and regular reporting.

choose to make recommendations for support, for example, for additional resources on follow-up actions required to address findings. The Audit Committee is also responsible for the governance of the internal audit function, and therefore must ensure that the function has the requisite access to records, documents, premises and personnel needed to perform the function.

In relation to cyber risk, external risk and assurance activities were supported by three independent third party providers:

- ThreatSpike, Qualys and Foregenix.

### Review of the internal auditor

The Audit Committee conducts an annual review of the effectiveness of the Internal Audit and Risk function. The Audit Committee is satisfied that the quality, experience and expertise of the function is appropriate for the business.

### Enterprise Risk Management (ERM)

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.

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 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 arise both internally, from the organisation's own institutions, structures and processes, and externally. External risks can vary by region and are influenced by factors such as the sectors in which the Company operates, macro-economic conditions, shifts in local and global market trends, geo-political developments, social and labour conditions, and environmental considerations. The Audit Committee reviews these risks on an ongoing basis and, where necessary,

ensures that appropriate controls or other response measures are implemented by management.

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

Climate change impacts on the risk profile of the Group in multiple ways. 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 TCFD report on page 72.

A report on the principal risks of the Group is on page 80.

### 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 Co-Chief Executive Officers, 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 Leadership Team on the following matters:

#### Provision 29 - UK Corporate Governance Code

Following the release of the revised UK Corporate Governance Code, planning has been underway to prepare for the enhanced internal control requirements set out in Provision 29. The Board approved a Group Internal Control Policy that sets out the

organisation's commitment to a robust internal control framework, defines material risks and controls, provides guidance to support reporting-related decision-making, and clarifies accountability across the business. The material control scope and associated assurance requirements for 2026 were approved by the Board in December 2025.

The Committee reviewed the design and effectiveness of the Company's reportable controls framework, sought updates on processes for testing and monitoring key controls, and discussed the remediation of any gaps identified. This collaborative approach ensured that management is taking appropriate steps to prepare for compliance with Provision 29 and that the framework is robust, well-documented and capable of supporting the Committee's future assessment of the effectiveness of internal controls.

### Impairment testing

The Group's impairment review requires judgment in estimating the recoverable amount of property, plant and equipment, and the IFRS 16 right-of-use asset. During the year, the Group recognized a £23.7 million impairment. The Audit Committee reviews the independent property valuations used by management to support its impairment assessments. The Committee also engaged in detailed discussions with the Chief Financial Officer regarding the methodology and assumptions applied in these reviews to ensure they are robust and appropriate.

**Information security**

The Audit Committee continues to provide active oversight of cyber and information security risks, holding regular meetings with the Head of IT Security and the Head of Internal Audit and Risk. These sessions include detailed updates on the evolving cyber threat landscape, technology risk environment, effectiveness of cybersecurity controls, continuous monitoring activities, incident readiness, and emerging cyber risks.

Based on these insights and risk assessments, the Committee directs independent third-party cyber assurance and security reviews as required throughout the year to strengthen resilience and validate control effectiveness.

**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 140.

**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.

**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).

In addition, the other significant issues generally considered relate to the complexity of the financial statements due to the size of the Group and the multiple legal entities.

**Stephanie Coxon**

Chair of the Audit Committee

**ESG Committee report**



**Marcia Bakker**

Chair of the ESG Committee

**Letter from the Chair of the ESG Committee**

**Dear Stakeholder,**

2025 has been a pivotal year for ESG oversight. ESG is no longer viewed solely as a non-financial reporting obligation; it is increasingly embedded within corporate strategy, risk management, internal controls and financial disclosures. During the year, the ESG Committee focused on ensuring that the business is appropriately positioned to report in this evolving environment, supported by robust underlying processes strengthened governance structures, consistent methodologies and increasing organisational engagement.

As set out in more detail on pages 58-79, the Committee oversaw significant progress during the year. This includes the oversight of the development of a comprehensive decarbonisation plan covering all areas of the business, and the further alignment of targets and reporting methodologies across regions and functions including harmonisation with our listed subsidiary Arena Hospitality Group (AHG). The double materiality assessment was conducted aligned with AHG's ESG reporting. The Science-Based Targets are submitted for validation in line with our December 2025 commitment and expect validation in early 2026. These milestones reflect continued technical advancement and growing organisational involvement in ESG delivery.

**Continuation of the Committee**

The ESG Committee continues to review its own role and relevance within the Group's governance framework. While our long-term ambition remains the full integration of ESG oversight into the Board and its other Committees, the current pace of regulatory change and the increasing complexity of ESG requirements make it appropriate for the ESG Committee to retain dedicated responsibility in the short to medium term. As we move into regular reporting against near-term, long-term and net zero targets, it is essential that sufficient time and focus are provided at Board level to support oversight, challenge progress and delivery.

Transparency and credibility remain central to our approach. We therefore place strong emphasis on the quality of the data, controls and governance over reporting processes that underpin our ESG disclosures, ensuring that published information is robust, reliable and decision-useful.

**Strategic oversight**

In 2025, our focus was on overseeing the harmonisation of ESG reporting across regions, improving data quality and embedding consistent methodologies to support consolidated reporting. The Committee reviewed management's focus, challenged delivery timelines and monitored progress towards strengthening governance over ESG data and reporting processes. This work is critical as we prepare for expanded disclosure double materiality assessments and increased scrutiny from investors and other stakeholders.

**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	4	4

Looking ahead, the Committee will continue to monitor regulatory developments, oversee progress against approved targets and ensure that ESG considerations remain appropriately integrated within the Group's broader risk management and strategic framework.

As mentioned, we submitted our net zero targets for validation to the Science-Based Targets Initiative (SBTi) in line with our December 2025 deadline, ensuring alignment with global best practice. By working with external specialists to design a roadmap to net zero, we are confident we have a strategy that will lead us to meet our science-based targets.

We also continued progress in achieving sustainability certifications across our real estate portfolio, reinforcing our commitment to low carbon operations. These certifications provide recognised benchmarks for assessing environmental performance and offer investors and stakeholders greater transparency on asset quality and resilience. As a real-estate business, it is important that all

developments look to best possible performance against stringent environmental criteria and resilience to changing climatic conditions in order to ensure the sustainability of value of the portfolio.

**Social initiatives**

Our social strategy remains focused on employee wellbeing and community engagement. Bi-annual employee engagement surveys continue to provide valuable insight into the needs and priorities of our teams. In 2025, we further expanded our employee volunteering programme, strengthening partnerships with local community organisations and charities, and improving how we track participation and impact.

Team member retention is a high priority for the business. A sense of contribution to their communities helps team member engagement, driving higher retention rates. Employee volunteering guidelines specify that volunteering should be a net contributor to the local communities in which we operate and meet the strategic goals of the organisation.

**Looking ahead to 2026**

Priorities for the coming year include continued alignment of ESG reporting with evolving standards for large businesses across all regions, progress against our validated SBTi targets, further expansion of sustainability certifications and continued improvement in waste management practices. Supplier engagement will be increasingly important, particularly in addressing Scope 3 emissions. Further integration of ESG targets and reporting into day-to-day operations will be a key focus, ensuring that ESG performance is owned across the organisation and embedded into decision-making at all levels.

**ESG Committee's 2025 activities and focus**

Function	Actions in 2025
<b>Performance of the Committee</b>	<ul style="list-style-type: none"> <li>Reviewed terms of reference</li> </ul>
<b>Climate-related risk and reporting</b>	<ul style="list-style-type: none"> <li>Approved updated TCFD disclosures</li> </ul>
<b>ESG strategy</b>	<ul style="list-style-type: none"> <li>Monitored progress against science-based targets</li> <li>Reviewed Scope 3 reduction roadmap</li> </ul>

**Marcia Bakker**

Chair of the ESG Committee

Remuneration Committee report



**Nigel Keen**

Chair of the Remuneration Committee

**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 2025. The Report 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.

**2025 performance**

The Group experienced a challenging trading environment at the start of 2025, with macro-economic trends affecting our ability to exceed our performance targets. The second half of the year showed signs of improvement, partially offsetting the negative trends in the first half. Despite these headwinds, the Group achieved modest EBITDA\* growth and paved the way for further growth into 2026 by implementing substantial projects. These initiatives include the roll out of a new Property Management System (PMS), enabling implementation of the latest automation to improve guest satisfaction and achieve further efficiencies. We furthermore accelerated the implementation of AI and Robotic Process Automation on back-office functions, which resulted in faster response or process time, with lower manpower.

In the year, we also engaged with shareholders over the potential for the Company to do share buy-backs, given the relatively large discount of the share price versus the Company's net asset value. Larger (non-controlling) shareholders expressed their desire to move away from share buy-backs and, as such, we will not propose for further buy-backs in the upcoming Annual General Meeting.

2025 was a year in which our development pipeline of lifestyle branded properties was completed, with the full openings of art'otel London Hoxton and art'otel Rome Piazza Sallustio. These exciting new openings give us an opportunity to demonstrate our operational excellence and our unique, high quality offering in these resilient European capitals. We spent 2025 launching these new properties, along with the destination restaurant and bar venues that sit within the hotels, and driving their performance, and we are very pleased with their positive reception. We are very optimistic about their performance in 2026 and beyond.

We furthermore acquired a property at the eastern boundary of the City of London for an exciting new project where the business district of the City meets its vibrant East End.

**Membership of the Remuneration Committee and meeting attendance**

Name of Director	Meetings attended	Eligible to attend
Nigel Keen (Chair)	7	7
Stephanie Coxon	6	7
Ken Bradley	7	7
Marcia Bakker	7	7

**Remuneration Policy implementation**

The Committee acknowledged the total remuneration package for Executive Directors was below that of its peer group

Whilst the Committee was comfortable with that position at the time, it subsequently resolved, in line with best practice, to seek expert external advice about the implementation and competitiveness of the Company’s Remuneration Policy.

Accordingly, remuneration specialists MM&K were engaged directly by the Committee in October 2025 to undertake a review and benchmarking exercise of the total remuneration package of the Executive Directors.

Following MM&K’s independent review, the Committee concluded that the total remuneration packages may include insufficient incentive to motivate and retain the Executive Directors. In light of the significant potential risk posed by this situation, the Committee considered that immediate action was required before the end of the 2025 financial year.

A detailed analysis of the action taken by the Committee is set out in the full Remuneration Report for 2025 on page 132.

**Long-Term Incentive Plan (LTIP)**

Following an independent review of the total remuneration packages for Executive Directors by MM&K, on 17 December 2025, Greg Hegarty and Daniel Kos entered into certain performance related long-term incentive arrangements. Under the terms of the arrangements, nil-cost options over ordinary shares in the Company may be granted annually to each individual based on dividend and earnings per share performance in each of 2026, 2027 and 2028. The maximum annual award opportunity is capped at two times annual salary.

The grant of 50% of each nil-cost option will be dependent on a dividend-related performance target. The grant of the other 50% of each nil-cost option will be dependent on an earnings per share-related performance target.

Any nil-cost options granted will be capable of exercise in Q1 2029 shortly after the announcement of the Company’s results for the year ending 31 December 2028. Each individual will then be required to retain the net number of ordinary shares acquired on exercise (i.e. after sales for tax) for a further two-year period.

The Company has delivered a strong operational performance, and demonstrated resilience in its strategic execution. 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.

These awards are nil-cost options over ordinary shares in the Company, the vesting of which is subject to dividend and earning per share performance targets for each of the 2026, 2027 and 2028 financial years. The maximum annual award opportunity for any financial year is capped at two times annual salary.

Given the wider issue of dealing with a share price that does not adequately reflect the value proposition of the Company, the Committee, based on the findings of the independent review undertaken by MM&K, has moved away from a share price-based performance target and, instead, moved to commercial targets which directly impact the ability of the business to deliver returns to shareholders through the generation of cash profits and dividend receipts.

Accordingly, the vesting of 50% of each nil-cost option will be dependent on a dividend related performance target. The vesting of the other 50% of each nil-cost option will be dependent on an EPS related performance target.

The nil-cost options were granted under the Company’s Executive Incentive Plan 2020 and will be capable of exercise in Q1 2029 shortly after the announcement of the Company’s results for the year ending 31 December 2028. Each Executive Director will then be required to retain the net number of ordinary shares acquired on exercise (i.e. after sales for tax) for a further two-year period.

**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.

Our approach to pay increases in general is to concentrate on improvements at the lowest end of our pay scale. This is because we appreciate that the impact of challenges such as inflation and other cost-of-living pressures is felt most severely in the lower fifth quintile of our pay grouping. Recruitment and retention across the spectrum remain a challenge in the hospitality industry, notably so in the UK. We aspire to be an employer of choice and have taken action accordingly.

Turning to non-pay benefits available to team members, we take a wellbeing-based approach and seek to provide services aimed at the necessities of life. Benefithub, a platform of online tools accessible to team members 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 team members, 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 the 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 the Netherlands, annual pay review increases are in line with collective labour agreements by law. In the UK, the government has increased minimum wage rates. Pay outcomes in each region for 2025 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.

The average pay award across all brackets sits at 3.1%.

Pay bracket	Avg. % of increase
<=30k	5.5%
>30k <=45k	2.5%
>45k <=60k	2.5%
>60k <=85k	2.5%
>85k	2.5%

**The Netherlands**

Pay has been increased in line with the HORECA Collective Labour Agreement for 2025, with an average pay award of 4.3%.

Please see below the % increase per pay scale.

Function group (scale)	% of increase
I	13.4%
II	3.5%
III	4.4%
IV	3.4%
V	4.2%
VI	3.8%
VII	2.6%
VIII	4.1%
IX	2.8%
X	2.8%
XI	3.1%

**ESG**

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 recognises that the total remuneration package for Executives is below its peer group; however, the Committee is comfortable that in the circumstances, the total remuneration package is sufficiently incentivising to retain senior talent. A detailed analysis of the implementation of the policy is set out in the full Remuneration Report for 2025.

**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 CEO, Co-CEO, 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 and, during 2025, commissioned MM&K to undertake an independent review of the Executive Directors’ total remuneration.

Remuneration Committee activities and focus in 2025

Function	Actions in 2025
<b>Remuneration Policy</b>	Implemented remuneration in line with Remuneration Policy, judging against the following criteria: <ul style="list-style-type: none"> <li>individual performance against targets set at the beginning of 2025;</li> <li>link to strategy;</li> <li>overall performance of the business as a whole;</li> <li>ESG performance; and</li> <li>stakeholder interest in long-term sustainable value creation.</li> </ul>
<b>Executive Director and senior management remuneration review</b>	<ul style="list-style-type: none"> <li>Commissioned an independent review of Executive Director total remuneration (in respect of assessing basic pay, pensions, benefits and other incentives).</li> <li>Ensured that any proposed changes to remuneration packages were considered against performance criteria and alignment to workforce, culture and objectives.</li> </ul>
<b>Set targets and incentive schemes</b>	<ul style="list-style-type: none"> <li>Review of incentive schemes to ensure outcomes are not formulaic, but appropriate to the objectives and to shareholder interest.</li> <li>Set targets for 2026 in respect of annual bonuses and for the period 2026 to 2028 in respect of the LTIP.</li> </ul>
<b>Workforce remuneration and benefits policies</b>	<ul style="list-style-type: none"> <li>Review of workforce remuneration with objective of ensuring Executive Director remuneration is properly aligned.</li> <li>Review of workforce gender pay gap and senior executive to average worker pay ratios.</li> </ul>

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 the C-Suite, ensuring 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. 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 2025 and available on our website. What follows is a copy of the Remuneration Policy in effect in 2025, and a full report on remuneration for the year. I very much look forward to presenting this Remuneration Report to shareholders at our Annual General Meeting for 2026.



**Nigel Keen**  
Chair of the Remuneration Committee

Remuneration Policy 2025-2027

Introduction

This Remuneration Policy 2025-2027 (Policy) was prepared by the Committee in 2024 and, following an advisory vote at the 2025 AGM, applies 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.

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 Company's workforce as a whole
- Ensuring management incentives support the long-term, sustainable success of the Company
- Alignment to Company purpose and values
- The Company's need to recruit and retain talent
- Ensuring remuneration is in line with shareholder expectations and market practice

Conflict of interest management

In line with the requirements of the UK Corporate Governance Code (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:

- base salary;
- benefits;
- pension;
- annual bonus; and
- Long-Term Incentive Plan (LTIP).

Policy table	
<b>(1) Base salary</b>	<b>Purpose, link to strategy and operation</b>
	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.
	<b>Maximum opportunity</b>
	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 shall not reflect the actual amount to be paid.
	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.
	<b>Performance metrics</b>
	There shall be no performance metrics applied to base salary.
<b>(2) Benefits</b>	<b>Purpose, link to strategy and operation</b>
	Benefits shall be consistent with market practice and competitive for the purpose of attracting and retaining talent.
	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.
	In order to ensure alignment with the workforce, benefits may vary from region to region.
	<b>Maximum opportunity</b>
	We do not consider it appropriate to set a maximum benefits value as this may change periodically and by region.
	Access to employee share schemes is on the same basis as for the Executive Leadership Team.
	<b>Performance metrics</b>
	There shall be no performance metrics applied to benefits.

Policy table – continued	
<b>(3) Pension</b>	<b>Purpose, link to strategy and operation</b>
	Accrual of pension savings is in line with attraction and retention of talent.  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.
	<b>Maximum opportunity</b>
	Pension contributions might vary by region. Pension allowances shall align to workforce contributions based on place of employment. Only basic salary shall be pensionable.
	<b>Performance metrics</b>
	There shall be no performance metrics applied to pensions.
<b>(4) Annual bonus plan</b>	<b>Purpose, link to strategy and operation</b>
	Annual bonuses shall incentivise and reward performance on near-term strategic targets and business performance overall.  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.  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.
	<b>Maximum opportunity</b>
	150% of base salary.
	<b>Performance metrics</b>
	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.  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.

Policy table – continued	
<b>(5) Long-term share incentive plan</b>	<b>Purpose, link to strategy and operation</b>
	The LTIP scheme is designed to provide a framework for the award of the following to all employees, including executives:  <ul style="list-style-type: none"> <li>Performance share awards (granted subject to specified performance targets);</li> <li>Restricted share awards;</li> <li>Deferred bonus awards; and</li> <li>Market-value share options (share options linked to the market value of the Company shares).</li> </ul> <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, such as based on:</p> <ol style="list-style-type: none"> <li>ensuring that the number of shares is reflective of the underlying business performance of the Company, any business area or team;</li> <li>the conduct, capability or performance of the participant; or</li> <li>wider circumstances.</li> </ol> <p>The rules of the award scheme provide for: long-term vesting periods;</p> <ul style="list-style-type: none"> <li>post-vesting holding periods (determined by the Committee at the time of the award);</li> <li>good leaver and bad leaver provisions allowing the Committee to ensure the vesting of awards suitably reflects the purpose of long-term talent retention; and</li> <li>share capital dilution limits.</li> </ul> <p>Dividend-equivalents may accrue subject to the discretion of the Remuneration Committee.</p>
	<b>Maximum opportunity</b>
	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.
	<b>Performance metrics</b>
	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.  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.  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.

**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 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.

**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 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 the 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 (1) the Chairman (who attracts an additional fee for the role) and (2) the Senior Independent Director who attracts an additional fee for the role.

**Appointment term and other matters**

- The 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**

- 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 2026.
- 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.

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 as set out in their Letters of Appointment (see table on page 130), subject to re-election by Shareholders on an annual basis at the 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 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 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.

Dates of the Directors’ service contracts are as follows:

Director	Date of appointment	Term of appointment	Subject to annual re-election	Notice period
<b>Eli Papouchado</b>	26-Jun-07	Ended 9 January 2025	N/A	N/A
<b>Boris Ivesha</b>	14-Jun-07	Indefinite	Yes	12 months from the Group; 6 months from Boris Ivesha to the Group
<b>Daniel Kos</b>	27-Feb-18	Indefinite	Yes	6 months from the Group; 3 months from Daniel Kos to the Group
<b>Greg Hegarty</b>	23-May-23	Indefinite	Yes	12 months from the Group; 6 months from Greg Hegarty to the Group
<b>Ken Bradley</b>	04-Sep-19	Annual General Meeting 2028	Yes	3 months
<b>Nigel Keen</b>	20-Feb-20	Annual General Meeting 2028	Yes	3 months
<b>Stephanie Coxon</b>	07-Aug-20	Annual General Meeting 2028	Yes	3 months
<b>Marcia Bakker</b>	06-Dec-22	Annual General Meeting 2028	Yes	3 months
<b>Roni Hirsch</b>	09-Jan-25	Annual General Meeting 2026	Yes	3 months

# 2025 Remuneration Report

This Report will be submitted for an advisory vote of shareholders at the Annual General Meeting taking place in 2026.

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 2026 are likely to be:

- (1) the stabilisation of the newly opened hotels in the portfolio;
- (2) macro-economic conditions including inflation and energy costs; and
- (3) year-on-year ESG data reporting allowing KPIs to be established for balance scorecards.

The remuneration in 2025 was awarded in accordance with the Remuneration Policy published in the 2024 Annual Report and Accounts, and submitted to Shareholders at the 2025 AGM. 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 2025. Figures for 2024 are included for comparison.

### Total remuneration for PPHE Hotel Group Board in 2025<sup>1</sup>

Name	Position	Base salary and fees <sup>2</sup>		Cash bonus		Bonus shares <sup>3</sup>		Pension contributions		LTIP		Other benefits		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Boris Ivesha	President & Co-CEO	588,574	573,100	120,000	160,538	–	–	29,429	28,655	N/A	N/A	17,116	17,116	755,119	779,409
Greg Hegarty	Co-CEO	523,784	511,009	120,000	160,538	215,520	147,544	26,189	25,550	–	270,497	4,521	4,521	890,014	1,119,659
Daniel Kos	CFO	498,923	485,889	120,000	160,538	215,520	147,544	19,313	19,253	–	270,497	17,835	–	871,592	1,083,721
Eli Papouchado	Non-Executive Chairman <sup>4</sup>	–	250,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–	250,000
Ken Bradley	Non-Executive Chairman	89,050	87,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89,050	87,000
Nigel Keen	Senior Independent Director	73,500	72,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73,500	72,000
Stephanie Coxon	Non-Executive Director	66,500	65,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66,500	65,000
Marcia Bakken	Non-Executive Director	66,500	65,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66,500	65,000
Roni Hirsch <sup>5</sup>	Non-Executive Director	60,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60,000	N/A
		<b>1,966,831</b>	<b>2,108,998</b>	<b>360,000</b>	<b>481,614</b>	<b>431,040</b>	<b>295,088</b>	<b>74,931</b>	<b>73,458</b>	<b>-</b>	<b>540,994</b>	<b>39,472</b>	<b>21,637</b>	<b>2,872,275</b>	<b>3,521,819</b>

**Notes**  
 1 All fees are shown in Pound Sterling. Daniel Kos's salary is paid in EUR, and converted for comparison purposes at a rate of €1.16: £1 (2024: 1.18).  
 2 Base salary/fees represent all amounts received by the Director from the Company for the financial year.  
 3 Share bonus was calculated using PPHE Hotel Group Ltd share price for 31 December 2025 - £17.96 (31 December 2024 - £12.29). LTIP for 2024 was calculated using PPHE Hotel Group Ltd share price for 31 December 2024 - £12.29.  
 4 Eli Papouchado stepped down on 9 January 2025.  
 5 Roni Hirsch joined the Board in January 2025.

### Base salary

Base salaries for Executive Board members increased in line with inflation. Looking forward in line with the Remuneration Policy, as of 1 April 2026, the President & Co-CEO will receive an increase of 2.5% in line with CPI. The Co-CEO will receive an increase of 2.5% and the CFO will receive an increase of 2.5%. The Committee believes this is appropriate and in line with the increase made to the remuneration of the wider workforce, which is set out above. The Remuneration Committee is satisfied that

base pay for the Co-CEOs remains aligned with the wider market, and therefore that 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 as shown in the table opposite are appropriate 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 <sup>1</sup>
2024	573,100	511,009	485,889
2025	588,574	523,784	498,923
2026	603,288	536,879	511,397

<sup>1</sup> Daniel Kos's salary is converted to Pound Sterling using a rate of 1.16 (2024: 1.18)

### 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 2025, the pension contributions for the President & Co-CEO and Co-CEO were 5% of their base salaries. The CFO's pension contribution was 3.9% of base salary.

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

UK	The Netherlands
3%	8.4%

### Annual Bonus performance measures

The annual bonus for 2025 included a cash element and a share element, using the performance metrics outlined below. The cash bonus had a maximum entitlement of 50% of annual salary.

### Cash bonus

Financial metrics were revenue and gross operating profit (GOP), with the Executive Directors achieving 7% on the revenue target and 7% 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 have been awarded 14% of the maximum cash bonus entitlement.

Non-financial metrics were guest satisfaction and employee engagement. Guest satisfaction reached 88.1%. Employee engagement reached 86.5%. Please see pages 30-31 for further information. With the Executives achieving 7.5% on the guest satisfaction target and 7.5% on the employee engagement target, the Executives were entitled 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

- Succession planning
- Ongoing progress on ESG strategic target setting
- Substantial progress on pending planning approvals

### Personal targets of Greg Hegarty

- Improve performance of destination restaurants
- Progress on charity initiatives
- Successful opening of art'otel Rome Piazza Sallustio

### Personal targets of Daniel Kos

- Successful implementation of new property management system
- Plan and implement energy-efficient CapEx
- Successful refinancing of UK facilities

The targets have all been achieved and resulted that the Executive Directors are entitled to 15% of the maximum cash bonus entitlement.

### Share bonus

The 2025 annual bonus included a share element. The share element had a revenue target which has been achieved at 100%. Therefore, the total share bonus for 2025 comprised 12,000 shares. In total, the 2025 annual bonus for Executives, including the cash and share elements, was within a range of 27% to 67% of base salary and within the cap permitted under the Remuneration Policy. The maximum amount permitted by the Remuneration Policy is set out on page 127. The outcomes in the table below represent 13.6% of that maximum for Boris Ivesha, 42.7% of maximum for Greg Hegarty and 44.8% of maximum for Daniel Kos. Outcomes for each Director for 2025 were as follows:

	Boris Ivesha	Greg Hegarty	Daniel Kos
Cash award	120,000	120,000	120,000
Share award*	–	215,520	215,520
<b>Total award</b>	<b>120,000</b>	<b>335,520</b>	<b>335,520</b>

\* Share bonus was calculated using PPHE Hotel Group Ltd share price for 31 December 2025 - £17.96 (31 December 2024 - £12.29).

### Stakeholder engagement

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 President and Co-Chief Executive Officer 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 2025, the Committee sought advice from remuneration advisers MM&K, a member of the Remuneration Consultants Group, who were commissioned to do an independent benchmarking review and analysis in respect of the appropriateness of the total remuneration package of the Executive Directors.

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

## 2025 Remuneration Report – continued

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

	Total remuneration of President & Co-CEO	Total remuneration of Co-CEO	Average employee (25th percentile)*	Average employee (50th percentile)*	Average employee (75th percentile)*
Total	755,119	890,014	28,338	32,750	40,961
Ratio of mean of Co-CEOs' total remuneration to average employee	-	-	29.0	25.1	20.1

### 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 2025	Conditional LTIP share awards subject to performance conditions
	2025	2024		
Boris Ivesha	4,636,974	4,636,974	-	-
Greg Hegarty	-	-	61,308	-
Daniel Kos	47,170	30,000	-	-
Eli Papouchado <sup>1</sup>	13,760,260	13,760,260	N/A	N/A
Ken Bradley	-	-	N/A	N/A
Nigel Keen	-	-	N/A	N/A
Stephanie Coxon	-	-	N/A	N/A
Marcia Bakker	2,000	-	N/A	N/A
Roni Hirsch	322,000	N/A	N/A	N/A

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

<sup>1</sup> Eli Papouchado stepped down on 9 January 2025.

### 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.

	2025	2024	Change
Dividend	15,902,078	15,544,953	2.3%
Aggregate employee remuneration	163,688,294	150,147,075	9.0%

### Percentage change in remuneration

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

Directors' remuneration	2021v2020 <sup>3</sup>	2022v2021	2023v2022	2024v2023	2025v2024	2025 total (£)
<b>Executive Directors</b>						
Boris Ivesha <sup>1</sup>	29%	2%	33%	4%	(3)%	755,119
Greg Hegarty	N/A	N/A	N/A	64.4%	(21)%	890,014
Daniel Kos <sup>2</sup>	3%	164%	34%	65.9%	(20)%	871,592
<b>Non-Executive Directors</b>						
Eli Papouchado	33%	0%	0%	25%	(100)%	0
Ken Bradley	32%	8%	4%	40%	2%	89,050
Nigel Keen	54%	5%	0%	17%	2%	73,500
Stephanie Coxon	218%	8%	0%	9%	2%	66,500
Marcia Bakker	N/A	N/A	N/A	9%	2%	66,500
Roni Hirsch	N/A	N/A	N/A	N/A	N/A	60,000
Kevin McAuliffe	29%	0%	60%	N/A	N/A	N/A

#### Notes to the table:

<sup>1</sup> Boris Ivesha waived his rights for annual bonus in years 2019-2022.

<sup>2</sup> In 2022, the annual bonus of the CFO included a 23,000 share award.

# Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2025. 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 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.

Topic	Section of the report	Page
<b>Fair view of the Company's business</b>	Strategic Report	5
<b>Principal risks and uncertainties</b>	Risk management	78
<b>Strategy</b>	Strategic Report	20
<b>Business model</b>	Strategic Report	5
<b>Important events impacting the business</b>	Strategic Report, Chairman's Statement, CEO Review	11
<b>Likely future developments</b>	Strategic Report	14
<b>Financial key performance indicators</b>	Key performance indicators	30
<b>Non-financial key performance indicators</b>	Environmental, Social and Governance	30
<b>Environmental matters</b>	Environmental, Social and Governance	58
<b>Company's employees</b>	Stakeholder engagement, Environmental, Social and Governance	58
<b>Social, community and human rights issues</b>	Stakeholder engagement, Environmental, Social and Governance	58, 66
<b>s.172 and relationship with suppliers, customers and others</b>	Stakeholder engagement, Introduction to governance	58, 94, 95
<b>Greenhouse gas emissions</b>	Environmental, Social and Governance	77

The following matters have been included in the Corporate Governance Report but are incorporated by reference into this Directors' report.

<b>Directors' induction and training</b>	Nomination Committee report	112
<b>Diversity report of Board membership (ethnicity and gender)</b>	Nomination Committee report	114

## 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.

Pursuant to the power given to Euro Plaza under the Relationship Agreement and as set out in the Articles of Association, 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 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.

## 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 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. The 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 to issue, to 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 Companies (Guernsey) Law, 2008, the UK Listing Rules and the Takeover Code (the Law). The Law requires the prior approval of any share buy-back by way of ordinary resolution of the shareholders and a certification by the Board that the Company satisfies the solvency test set out in the Law.

## Articles

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the 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

The table provided shows shareholders holding 5% or more of the issued share capital (excluding treasury shares) as at 30th January 2026. 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 30th January 2026.

Number of issued shares	44,347,410	
Shares held in treasury by the Group	2,491,086	
Number of issued shares (excluding treasury)	41,856,324	
		Percentage of the issued ordinary share capital (excluding treasury shares)
Concert party member	Number of ordinary shares	
<b>Boris Ivesha:</b>	<b>4,636,974</b>	<b>11.08%</b>
<b>Red Sea Parties:</b>	<b>13,760,260</b>	<b>32.87%</b>
Euro Plaza	12,207,843	29.17%
Red Sea Club Limited	22,417	0.05%
A.A. Papo Trust Company Limited <sup>1</sup>	1,530,000	3.66%
<b>Total</b>	<b>18,397,234</b>	<b>43.95%</b>

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

		Percentage of the issued ordinary share capital (excluding treasury shares)
Shareholder	Number of ordinary shares	
Clal insurance	3,271,191	7.82%
Harel Insurance Investments and Financial Services	3,548,757	8.48%

**Controlling shareholders**

The Company's immediate controlling shareholders are Euro Plaza. 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'). As required under UKLR 7 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.

Together, Euro Plaza, Eli Papouchado and Boris Ivesha are the 'Concert Parties' and hold 43.95% of the issued share capital of the Company.

The Company has complied with the undertakings in UKLR 7.3 and UKLR 7.4 (formerly LR 9.2.2R prior to the changes made by the FCA to the handbook) since admission to the Premium Listing segment.

In accordance with the Relationship Agreement entered into with the Company's controlling shareholders, each of Euro Plaza and Boris Ivesha is entitled to appoint representatives to the Board of the Company. Roni Hirsch is empowered to be the representative of Euro Plaza.

**DTR disclosures**

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the 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 32.87% 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 11.08% 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(1)	18 February 2026, the Company announced the sale of its development site in New York.
DTR 4.1.11R(2)	Likely future developments are announced in the Strategic Report, including information on pipeline on page 19
DTR 4.1.11R(4)	Details of the share buy-back programme in place during 2025 are provided on page 139
DTR 4.1.11R(5)	The worldwide operations of PPHE Hotel Group are set out on page 41
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 on page 111

**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 96-97. There have been no changes in the interests of each Director in the period between the end of the financial year and 30th January 2025.

**Share repurchase**

At the AGM held on 22 May 2024, the Company obtained shareholder authorisation for the buy-back of up to £4 million ordinary shares of nil par value, being approximately 5% of the issued share capital of the Company (Buy-Back Authority). This authority renewed and replaced the authority granted at the AGM held on 23 May 2023. The Buy-Back Authority expired 14 months after the resolution was passed on 22 May 2024. A renewed Buy-Back Authority was sought at the Annual General Meeting held on 21 May 2025. This was granted; however, an accompanying resolution permitting a waiver of Rule 9 of the Takeover Code was not. As a result, Rule 9 of the Takeover Code applied to any buy-back that took place.

During the period 1 January 2025 to 31 December 2025 no shares were purchased under the buy-back authority.

**UKLR 6 & UKLR 7 Disclosure obligations**

The following table is disclosed pursuant to UKLR 6 and UKLR 7. The table sets out only those disclosures 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
<b>UKLR 6.6.1R(3)</b>	Details of long-term incentive schemes	Note 11 to the consolidated financial statements
<b>UKLR 7.3</b>	Significant transactions	Note 28 to the consolidated financial statements
<b>UKLR 6.2.10</b>	Provision of services by a controlling shareholder	Note 28 to the consolidated financial statements
<b>UKLR 6.2.10</b>	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 on pages 56-79, including information as to quantification and reporting methodology.

**TCFD**

The Company has included in its Annual Report and Accounts climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures.

**Energy efficiency action**

For energy efficiency actions, please see the Environmental, Social and Governance section (including the TCFD report) on page 78.

**Auditors**

Brightman Almagor Zohar & Co. (a member of the Deloitte Global Network) have acted as auditors in the 2025 financial year.

**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 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 92 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 the 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 2025 consolidated financial statements on a going concern basis.

**Financial risk management objectives and policies**

The consolidated financial statements includes 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.

## Directors' report – continued

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 the Law. 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 96-97 as of the time of the publication, confirms to the best of his or her knowledge that:

- (i) 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 & loss of the Company and the undertakings included in the consolidation taken as a whole;
- (ii) 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
- (iii) 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

25th February 2026



**Greg Hegarty**

Co-CEO & Executive Director

25th February 2026



**Daniel Kos**

Chief Financial Officer & Executive Director

25th February 2026