

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or if not, from another appropriately authorised independent professional adviser.**

If you have sold or otherwise transferred all of your holding of Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should contact the stockbroker, bank or other agent through whom the sale or transfer was effected as to the actions you should take. If you have sold or otherwise transferred only part of your holding of Ordinary Shares you should retain these documents.

The Directors of the Company, whose names and functions appear on page 5 of this document, accept responsibility (both individually and collectively) for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.



## **Peel Hotels Plc**

*(Incorporated in England & Wales under the Companies Act 1985 with Registered No. 03473990)*

**Proposed cancellation of admission of Ordinary Shares to trading on AIM  
Re-registration as a private limited company  
Adoption of New Articles  
and  
Notice of Annual General Meeting**

---

You are recommended to read the whole of this document. In particular, your attention is drawn to the letter to Shareholders from the Chairman of the Company set out in this document which explains the background to and reasons for the proposed Cancellation and which contains a recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the Annual General Meeting.

**Notice of the Annual General Meeting of the Company, to be held The Norfolk Hotel, Richmond Hill, Bournemouth, Dorset BH2 6EN, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the Annual General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services PLC, by no later than 11:00 am on 17 September 2019 (or, in the case of an adjourned meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Annual General Meeting should they so wish.**

The distribution of this document in certain jurisdictions may be restricted by law. Accordingly, this document may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside the UK into whose domain this document comes should inform themselves about and observe any such restrictions.

## **FORWARD-LOOKING STATEMENTS**

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this document, those results or development may not be indicative of results or developments in subsequent periods. Any forward-looking statements that the Company makes in this document speak only as of the date of such statement and (other than in accordance with their legal or regulatory obligations) neither the Company, nor any of their respective associates, directors, officers or advisers undertakes any obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

## CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events .....	4
Directors and Advisers .....	5
Definitions .....	6
Part I: Letter from the Chairman of the Company.....	8
Part II: Effect of Re-registration on Shareholders and adoption of New Articles .....	12
Part III: The Takeover Code.....	14
Notice of Annual General Meeting .....	16

### Expected Timetable of Principal Events

Publication of this document and Form of Proxy to Shareholders	5 August 2019
Latest time and date for receipt of Forms of Proxy in respect of the Annual General Meeting	11:00 am on 17 September 2019
Time and Date of Annual General Meeting	12:00 noon on 19 September 2019
Expected last day of dealings on AIM in the Ordinary Shares	26 September 2019
Expected time and date of Cancellation	7:30 a.m. 27 September 2019

**Notes:**

- (1) All of the times referred to in this Document refer to London time, unless otherwise stated.
- (2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- (3) The Cancellation requires the approval of not less than 75 per cent of the votes cast by Shareholders at the Annual General Meeting.

## Directors and Advisers

<b>Directors</b>	Robert Edmund Guy Peel of 19a Warwick Avenue, W9 2PS	Executive Chairman
	Nicholas David Lawton Parrish of 2 Briggate, Leeds, West Yorkshire, LS1 4AE	Financial Director
	Haydn Herbert James Fentum C/O Thrings LLP, 20, St. Andrew Street, London, EC4A 3AG	Non-executive Director
	Norbert Paul Gottfried Petersen of 81 Burlington Lane, London, W4 3ET	Non-executive Director
<b>Company Secretary</b>	Thrings Company Secretarial Limited	
<b>Registered office</b>	Thrings LLP, 20 St. Andrew Street, London, EC4A 3AG	
<b>Principal place of business</b>	2 Briggate, Leeds, West Yorkshire, LS1 4AE	
<b>Nominated Adviser and Broker to the Company</b>	Peel Hunt LLP, Moor House, 120 London Wall, London, EC2Y 5ET	
<b>Legal advisers to the Company</b>	Thrings LLP, 20, St. Andrew Street, London, EC4A 3AG	
<b>Registrar</b>	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY	

## DEFINITIONS

*The following shall apply throughout this document unless the context otherwise requires:*

<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time
<b>“Annual General Meeting” or “AGM”</b>	the 2019 annual general meeting of the Company convened for 12:00 noon on 19 September 2019, notice of which is set out at the end of this document (including any adjournment of such meeting)
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“Business Day”</b>	a day, not being a public holiday, Saturday or Sunday on which clearing banks in London are open for business
<b>“Cancellation”</b>	the proposed cancellation of admission to trading on AIM of the Ordinary Shares as described in this document
<b>“Company”</b>	Peel Hotels Plc, incorporated in England and Wales under registered number 03473990
<b>“Concert Party”</b>	a group acting together to accumulate a controlling share in the Company
<b>“Existing Articles”</b>	the articles of association of the Company in force at the date of this document
<b>“Existing Ordinary Shares”</b>	the 14,012,123 Ordinary Shares in issue at the date of this document
<b>“Form of Proxy” or “Proxy Form”</b>	the individual form of proxy enclosed with this document for use by Ordinary Shareholders in connection with the AGM
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time
<b>“General Principles”</b>	the six general principles contained within the Takeover Code
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Articles”</b>	the articles of association to be adopted on completion of the Cancellation (in place of the Existing Articles) conditional upon the passing of the corresponding resolution at the AGM
<b>“Notice of Annual General Meeting”</b>	the Notice of AGM set out at the end of this document
<b>“Ordinary Shares”</b>	Ordinary shares of 10p each in the capital of the Company
<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“Proposals”</b>	the proposed Cancellation, Re-registration and adoption of New Articles as described in this document

<b>“Register”</b>	the register of members of the Company
<b>“Registrar” or “Share Registrars”</b>	Computershare Investor Services PLC
<b>“Regulatory Information Service”</b>	a regulatory information service that is approved by the Financial Conduct Authority and that is on the list of regulatory information service providers maintained by the Financial Conduct Authority
<b>“Re-registration”</b>	the re-registration of the Company as a private limited company and the consequential adoption of the New Articles
<b>“Resolutions”</b>	the resolutions to be proposed at the Annual General Meeting, including in relation to the Proposals, as set out in the Notice of AGM
<b>“Rules”</b>	the rules contained within the Takeover Code
<b>“Rule 9 Offer”</b>	the requirement for a general offer to be made in accordance with Rule 9 of the City Code
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares and <b>“Shareholder”</b> shall mean any one of them
<b>“Takeover Code”</b>	the Code on Takeovers and Mergers
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“Voting rights”</b>	means all voting rights attributable to the share capital of the Company which are currently exercisable at a general meeting

## Part I

### Letter from the Chairman of Peel Hotels Plc

(Incorporated in England & Wales under the Companies Act 1985 with Registered No. 03473990)



**Directors:**

Robert Edmund Guy Peel (Executive Chairman)  
Nicholas David Lawton Parrish (Financial Director)  
Haydn Herbert James Fentum (Non-executive Director)  
Norbert Paul Gottfried Petersen (Non-executive Director)

**Registered office:**

c/o Thrings LLP  
20 St Andrew Street  
London  
EC4A 3AG

**5 August 2019**

*To the holders of Ordinary Shares*

Dear Shareholder

**Proposed cancellation of admission of Ordinary Shares to trading on AIM  
Re-registration as a private limited company  
Adoption of New Articles  
and  
Notice of Annual General Meeting**

**Introduction**

The Company announced on 26 July 2019 that it is seeking Shareholder approval for the Proposals. The Board has convened an AGM to consider the Resolutions and to approve the Proposals at 12:00 noon on 19 September 2019. The purpose of this document is to set out the reasons for the Proposals and explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole, and are recommending that Shareholders should vote in favour of the Proposals at the AGM. A notice convening the AGM is set out at the end of this document.

**1. Background to, and reasons for, the Cancellation**

The Company's strategy is to pay down its debt and increase value for its Shareholders, and as such will have no requirement for access to funding from equity capital markets.

The Directors have conducted a review of the benefits and drawbacks to the Company and its Shareholders in retaining its

quotation on AIM, and believe that the Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Directors have considered the following key factors, amongst others:

- The cost, management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Directors' opinion, disproportionate to the benefits to the Company.
- There is very little on-market trading activity in the Company's shares.
- The Cancellation will enable the Company to reduce significantly administrative costs.
- The Directors have looked at the tax position of Shareholders, which will be unchanged by the delisting.
- Shareholders will still stand to benefit from a return of surplus cash, and whether by the payment of dividends, or buying back shares, or otherwise, as (in the Board's discretion) cash allows.
- Both Robert Peel and his brother, Charles Peel, who together own 62.41% of the issued share capital of the Company have committed to vote in favour of the Cancellation.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation at the earliest opportunity.

## **2. Process for Cancellation**

The Cancellation is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the Annual General Meeting, notice of which is set out at the end of this Document.

In accordance with rule 41 of the AIM Rules, an AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM must notify such intended cancellation and separately inform the London Stock Exchange of its preferred cancellation date at least 20 business days prior to such date.

Additionally, Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Resolution for the Cancellation. If the Resolution for the Cancellation is passed at the AGM, it is the Company's intention to cease trading of the Company's Ordinary Shares on AIM on 26 September 2019 and the Cancellation will take effect on 07:30 am on 27 September 2019.

## **3. Principal effects of Cancellation**

The principal effects that the Cancellation will have on Shareholders include the following:

- the underlying liquidity in the Ordinary Shares is currently low and, in the opinion of the Directors, is likely to remain that way for the foreseeable future whether or not the Cancellation proceeds.
- it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time.
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events, such as substantial transactions, financing transactions, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals.
- the Company will cease to have an independent nominated adviser and broker.
- the Cancellation of itself should not have any taxation consequences for Shareholders (Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately).

After the Cancellation, the Company will continue to comply with applicable statutory requirements. Subject to the Re-registration occurring, Shareholders should also note that the Takeover Code will continue to apply to the Company for the period of 10 years from the date of Cancellation.

The Resolutions to be proposed at the Annual General Meeting include the adoption of the New Articles with effect from completion of the Cancellation. A summary of the principal changes being made by the adoption of the New Articles is included in Part II of this Document.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them**

#### **4. Transactions in the Ordinary Shares prior to and post the proposed Cancellation**

##### *4.1 Prior to Cancellation*

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation.

##### *4.2 Post Cancellation*

Shareholders should note that, post Cancellation, there will be no dealing and settlement arrangements in the Ordinary Shares on AIM, and that your Board does not intend to apply for admission of the Ordinary Shares to any other Market.

##### *4.3 Future Shareholder Returns*

The Directors are aware that Shareholders may wish to secure a return on their investment in Ordinary Shares over time. In the absence of a market for Ordinary Shares, Shareholders will continue to benefit from the return to Shareholders of funds determined by your Board to be in excess of the Company's wants. It is your Directors' intention on the first anniversary of Delisting and on subsequent anniversaries to consider the return of surplus cash to Shareholders, and whether by the payment of dividends, or buying back shares, or otherwise, as (in the Board's discretion) cash allows.

The Board will review, on each anniversary of Delisting, the possible routes to return on investment to Shareholders and will consider the appropriate use of any surplus cash to maximise shareholder returns.

If the Directors consider the buy back of shares as the best possible option for its Shareholders at the relevant time, it is your Directors' current expectation that the price payable on any buyback of shares would be not less than 5 per cent above the average market value of an Ordinary Share in the Company in the six months immediately preceding Delisting. Robert and Charles Peel who collectively hold 62.41% of the issued Ordinary Shares have indicated that they would not expect to participate in such a buy-back.

**If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 26 September 2019 and that the effective date of the Cancellation will be 27 September 2019.**

Shareholders should note that the disposal of Ordinary Shares could give rise to either corporation tax or income tax, but that the business property relief entitlement currently enjoyed by investors in the Ordinary Shares will not be affected if the Company delists from AIM and re-registers as a private Company (Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately).

#### **5. Re-registration**

Following the Cancellation, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private

limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company.

The principal effects of the Re-registration on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document. Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will not issue the certificate of incorporation on Re-registration until the Register of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company.

## **6. Takeover Code**

Notwithstanding the Cancellation, subject to the Re-registration occurring under the Takeover Code the Company will continue to be subject to its terms for a period of 10 years following the Cancellation.

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which carry more than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months.

In addition, Rule 9 of the Takeover Code states that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

Following the expiry of the 10 year period from the date of the Re-registration, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part III of this document.

## **7. Adoption of New Articles**

The Company proposes to adopt New Articles principally to reflect re-registration to a private Company and developments in company law and good practice since 1998, when the Existing Articles were adopted. Due to the extent of the changes, the Company is proposing the adoption of the New Articles rather than amendments to the Existing Articles.

## **8. Annual General Meeting**

You will find set out at the end of this document a notice convening an AGM of the Company to be held at 11:00 am on 19 September 2019 at The Norfolk Hotel, Richmond Hill, Bournemouth, Dorset BH2 6EN at which the Resolutions will be proposed.

Norbert Paul Gottfried Petersen, who retires by rotation in accordance with the Company's Existing Articles, has informed the Board that he will not offer himself for re-election.

## **9. Action to be taken**

Shareholders listed on the Company's share register at 6:00pm (UK time) on 17 September 2019 shall be entitled to participate at the AGM and vote there in person or by proxy. Shareholders will find enclosed with this document a Form of Proxy for use at the AGM.

The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Registrars, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, as soon as possible and in any event not later than 11:00am on 17 September 2019. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at meeting or any adjournment thereof, if you so wish and are so entitled.

**10. Recommendation**

**The Board as a whole has considered the Proposals and agree that the Proposals are in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that Shareholders vote in favour of the Resolutions as they will in respect of their own Ordinary Shares.**

Yours faithfully

**Robert Peel**  
(Chairman)

**PART II**  
**EFFECT OF RE-REGISTRATION ON SHAREHOLDERS**  
**AND ADOPTION OF NEW ARTICLES**

**1. Accounts**

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

**2. Resolutions**

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of 75 per cent of the voting shares then in issue (in the case of special resolutions).

**3. Directors**

The Existing Articles contain provisions requiring the Directors to retire by rotation. These provisions have been removed in the New Articles.

**4. Removal of unnecessary provisions and simplification of articles**

The New Articles will not contain many of the detailed provisions of the Existing Articles which are common for listed companies, and which will not be necessary for the Company following the Cancellation. Many of these provisions duplicate provisions of company law or can be simplified.

**PART III**  
**THE TAKEOVER CODE**

The Takeover Code currently applies to the Company and will do so for 10 years following the Cancellation (subject to the Re-registration occurring). However, once the 10 year period referred to has expired, the Takeover Code will not apply to Peel Hotels and will not apply to any offer made to Shareholders to acquire their Ordinary Shares subsequent to the 10 year period following the Re-registration of the Company as a private company.

**Shareholders should note that, if the Cancellation becomes effective (and subject to the Re-registration occurring), after the expiry of 10 years from the date of the Cancellation they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.**

The Takeover Code is issued and administered by the Panel. Peel Hotels is a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

*The General Principles and Rules of the Takeover Code*

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix A of this Part III. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

*Giving up the protection of the Takeover Code*

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part 2 of Appendix A of this Part III. **You are encouraged to read this information carefully as it outlines certain important protections which will cease to apply 10 years following Cancellation (subject to the Reregistration occurring.)**

## APPENDIX A

### Part 1: The General Principles of the Takeover Code

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

### Part 2: Detailed application of the Takeover Code

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies.

#### *Equality of treatment*

General Principle 1 of the Code provides that all holders of the securities of an offeree company of the same class must be afforded equivalent treatment. Rule 16.1 provides that, except with the consent of the Panel, an offeror may not enter into arrangements which involve acceptance of an offer if there are favourable conditions attached which are not being extended to all shareholders.

#### *The opinion of the offeree board and independent advice*

The board of the offeree company must obtain competent independent advice as to whether the financial terms of any offer (including any alternative offers) are fair and reasonable and the substance of such advice must be made known to its shareholders, as required by Rule 3.1.

In accordance with rule 25.2 the offeree board circular must set out the opinion of the board on the offer (including any alternative offers) and the board's reasons for forming its opinion and must include its views on:

- (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and
- (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

In addition, the circular must include the substance of the advice given to the board of the offeree company by the independent adviser appointed under Rule 3.1.

Furthermore, Rule 20.1 states that information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

*Optionholders and holders of convertible securities or subscription rights*

When an offer is made for voting equity share capital or for other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, in accordance with Rule 15, the offeror must make an appropriate offer or proposal to the stockholders to ensure that their interests are safeguarded.

**Peel Hotels Plc**

*(Incorporated in England & Wales under the Companies Act 1985 with Registered No. 03473990)*

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 21<sup>st</sup> Annual General Meeting of the Company will be held at The Norfolk Hotel, Richmond Hill, Bournemouth, Dorset BH2 6EN on 19 September 2019 at 12:00 noon for the following purposes:

**ORDINARY BUSINESS**

1. To receive the Company's annual accounts for the financial year ended 27 January 2018 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts and the auditable part of the remuneration report.
2. To re-elect the following director who retires by rotation in accordance with the Company's Existing Articles, and who, being eligible, offers himself for re-election.

**Haydn Herbert James Fentum**

3. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise their remuneration to be fixed by the directors.

**SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions as Special Resolutions:

4. In accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM of the ordinary shares of 10p each in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all action reasonable or necessary to effect such cancellation.
5. Subject to and conditional upon Resolution 4 being approved by shareholders and becoming effective:
  - (a) pursuant to the provisions of section 97 of the Companies Act 2006, the Company be and is hereby re-registered as a private limited company by the name of "Peels Hotel Limited"; and
  - (b) the New Articles produced to the Annual General Meeting and signed by the chairman of the Annual General Meeting for the purposes of identification be and are hereby adopted by the Company in substitution for its Existing Articles.

By order of the Board

*Thrings Company Secretarial Limited*

Dated 5 August 2019

Registered Office: 20 St Andrew Street, London EC4A 3AG

**NOTES:**

**Entitlement to attend and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- 11:00 am on 17 September 2019; or
- if this Meeting is adjourned, at 11:00 am on the day two days prior to the adjourned meeting,

shall be entitled to attend and vote at the Meeting.

**Appointment of proxies**

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars.

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

**Appointment of proxy using hard copy proxy form**

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's Registrars at the address shown in the proxy form; and
- received by the Company's Registrars no later than 48 hours before the time appointed for holding the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

#### **Appointment of proxy by joint members**

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

#### **Issued shares and total voting rights**

8. As at 12:00 noon on 2 August 2019 the Company's issued share capital comprised of 14,012,123 ordinary shares of 10 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12:00 noon on 2 August 2019 is 14,012,123.

#### **Website publication of audit concerns**

9. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by either:

- a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company; or
- at least 100 members have a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital,

the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting.

Where the Company is required to publish such a statement on its website:

- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the Meeting.

A member wishing to request publication of such a statement on the Company's website must send the request to the Company using one of the following methods:

- in hard copy form to our Secretary, Thrings LLP, 20 St Andrew Street, London EC4A 3AG - the request must be signed by you;
- by e-mail to [kmcguinness@thrings.com](mailto:kmcguinness@thrings.com); or
- by fax to 020 7766 5675 marked for the attention of Kevin McGuinness.

Whichever form of communication is chosen, the request must:

- either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported; and
- be received by the Company at least one week before the Meeting.

### **Nominated persons**

10. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**):

- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (**Relevant Member**) to be appointed or to have someone else appointed as a proxy for the Meeting.
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.