

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT PROFESSIONAL ADVISER WHO IS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM, OR FROM AN APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A RELEVANT TERRITORY OUTSIDE THE UNITED KINGDOM.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT AND CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF ADMISSION TO TRADING OF HUNTERS SHARES ON AIM.

If you sell, have sold or otherwise transferred all of your Hunters Shares, please send this document together with the accompanying documents (other than the documents or forms personal to you) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell, have sold or otherwise transferred only part of your holding of Hunters Shares, you should retain these documents and contact the bank, stockbroker or the agent through whom the sale or transfer was effected. The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Hunters Shares, you should contact Hunters' Registrar by telephoning the helpline, details of which are set out on page 13 of this document, to obtain replacements of these documents.

The release, publication or distribution of this document and any accompanying documents (in whole or in part) directly or indirectly, in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions. Therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Recommended cash and share offer for

Hunters Property PLC

by

The Property Franchise Group PLC

**to be effected by means of a Scheme of Arrangement
between Hunters Property PLC and the Scheme Shareholders**

under Part 26 of the Companies Act 2006

This document sets out the details of the Acquisition to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act between Hunters and the Scheme Shareholders. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who do not attend and/or vote to approve the Scheme or who attend and/or vote against it at the Meetings, and it will result in the cancellation of the trading of Hunters Shares on AIM.

This document does not constitute a prospectus or prospectus equivalent document within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules published by the FCA and a copy has not been, and will not be, approved or filed with the

FCA. The New TPFG Shares to be issued pursuant to the Scheme are not being offered to the public by means of this document and no such prospectus or prospectus equivalent document has been, or will be, prepared. The Scheme is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Market Abuse Regulation and the FCA.

Your attention is drawn to the letter from the Chairman of Hunters in Part I of this document, which contains the unanimous recommendation of the Hunters Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting. Part II of this document contains a letter from SPARK Advisory Partners Limited explaining the Proposals and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

The release, publication or distribution of this document and any accompanying documents (in whole or in part), directly or indirectly, in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Application will be made by The Property Franchise Group to the London Stock Exchange for the New TPFG Shares to be admitted to trading on AIM. It is expected that such admission will become effective and that dealings for normal settlement in the New TPFG Shares will commence on the London Stock Exchange at or shortly after 8:00 a.m. on the first Business Day after the Effective Date. The Effective Date is subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, and is expected to be on 19 March 2021.

You should read carefully the whole of this document, and any information incorporated into this document by reference from another source in their entirety, together with the accompanying Forms of Proxy. Notices convening the Court Meeting and the General Meeting, both of which will be held at Apollo House, Eboracum Way, York YO31 9JX, are set out at the end of this document.

COVID-19 Restrictions

The Hunters Board notes the measures issued by the UK Government in view of the ongoing COVID-19 pandemic. At the time of publication of this document, the UK Government has prohibited large public gatherings, save in certain limited circumstances, and has prohibited non-essential travel. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, and in order to protect the health and safety of the Hunters Shareholders and the Hunters Directors, we hope that shareholders will understand that Scheme Shareholders, Hunters Shareholders and other attendees will not be permitted to attend the Court Meeting or the General Meeting in person, save for the Chairperson of the relevant Meeting and anyone else nominated by the Chairperson in order to establish a quorum.

Scheme Shareholders and Hunters Shareholders are strongly encouraged to appoint the Chairperson of the relevant Meeting as their proxy and provide voting instructions in advance of the relevant Meeting instead. If any other person is appointed as proxy, he or she will not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide.

Instructions for accessing the Virtual Meeting Platform

Scheme Shareholders and Hunters Shareholders will be given the opportunity to attend remotely, submit written questions and vote at the Court Meeting and the General Meeting via a virtual meeting platform provided by Lumi (the “**Virtual Meeting Platform**”).

Scheme Shareholders and Hunters Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To attend remotely, submit

written questions and/or vote using this method, please go to <https://web.lumiagm.com> and follow the instructions set out below.

Alternatively, Scheme Shareholders and Hunters Shareholders can access the Virtual Meeting Platform by downloading the latest version of the Lumi AGM application (the “App”) onto their smartphone device. The App is available in native application format (Android and iOS devices only) and can be downloaded from the Google Play Store™ Market or the Apple® App Store by searching by the application name “Lumi AGM”. If you have previously downloaded the App, please ensure you are using the latest version by checking the status in the Google Play Store™ Market or the Apple® App Store. Please be aware that the App does not support Android 4.4 (or below) or iOS 9 (or below).

Once you have accessed <https://web.lumiagm.com> from your web browser, or downloaded the App, you will be asked to enter the Lumi Meeting ID which is 140-394-999. You will then be prompted to enter your unique Neville User Code (“NUC”) and PIN. These can be found printed on the Forms of Proxy. Access to the Meetings via the website or App will be available from 10:15 a.m. on 5 March 2021, as further detailed below. If you are unable to access your NUC and PIN, please call Hunters’ Registrar, Neville Registrars, between 9:00 a.m. and 5:00 p.m. Monday to Friday (except UK public holidays) on 0121 585 1131 or +44 121 585 1131 (if calling from outside the UK). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded. Hunters’ Registrar cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice nor provide any technical assistance in relation to the Virtual Meeting Platform. If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

Access to the Meetings will be available from 10:15 a.m. on 5 March 2021, although the voting functionality will not be enabled until the Chairperson of the relevant Meeting declares the poll open. Scheme Shareholders and Hunters Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Hunters Directors during the course of the relevant Meeting. Scheme Shareholders can use the same function to submit any written objections they may have to the Scheme at the Court Meeting. The Chairperson of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairperson’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Meeting.

During the relevant Meeting, Scheme Shareholders and Hunters Shareholders must ensure they are connected to the internet at all times in order to submit written questions and/or any objections (in the case of the Court Meeting) and vote when the Chairperson commences polling. Therefore, it is each Scheme Shareholder’s and each Hunters Shareholder’s responsibility to ensure connectivity for the duration of the relevant Meeting via their wireless or other internet connection. The Virtual Meeting Guide contains further information on remotely accessing and participating in the Meetings via the Virtual Meeting Platform and is available on Hunters’ website at www.hunters.com/other-services/investor-relations.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to the Hunters’ Shareholders and Scheme Shareholders before the relevant Meetings, including through the Hunters website www.hunters.com/other-services/investor-relations and by announcement through a Regulatory Information Service.

The Court Meeting will start at 10:30 a.m. on 5 March 2021 and the General Meeting will start at 11:00 a.m. on 5 March 2021 (or, if later, as soon as the Court Meeting has been concluded or adjourned). The action to be taken in respect of the Meetings is set out on page 11 of this document. It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or transmit a proxy instruction (either

electronically or through CREST) as soon as possible or to attend and vote at the Meetings remotely (via the Virtual Meeting Platform as described above).

Hunters Shareholders will find enclosed with this document a blue Form of Proxy for use in connection with the Court Meeting and a white Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend both or either of the Meetings remotely (via the Virtual Meeting Platform) Hunters Shareholders are asked to complete and sign both the enclosed Forms of Proxy (blue and white) and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours only, by hand to Hunters' Registrar, Neville Registrars, at least 48 hours before the time appointed for the relevant Meeting (excluding any day which is not a Business Day). A reply-paid envelope is included for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed after that time to info@nevilleregistrars.co.uk any time prior to the commencement of the Court Meeting. Please note that any Forms of Proxy sent to this email address before 10:30 a.m. on 3 March 2021 may be discarded as invalid. If the white Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid (although you may still attend the Meetings remotely via the Virtual Meeting Platform). If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST ID 7RA11) must be received not later than 10:30 a.m. on 3 March 2021 in the case of the Court Meeting and by 11:00 a.m. on 3 March 2021 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day which is not a Business Day)). The completion and return of the Forms of Proxy will not prevent you from attending and voting and speaking remotely (via the Virtual Meeting Platform) at either of the Meetings, or any adjournment thereof, should you wish to do so and are entitled to do so.

If you have any questions relating to this document (or any information incorporated into this document by reference from another source), the Meetings or the completion and return of your Forms of Proxy, or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy, please call Hunters' Registrar, Neville Registrars, on 0121 585 1131 (calls are charged at your providers standard rate and maybe included in any prepaid minutes for national calls) or +44 121 585 1131 (if calling from outside the UK, noting such calls to this number from overseas are likely to incur considerably higher costs from your provider) between 9:00 a.m. and 5:00 p.m. Monday to Friday (excluding bank or public holidays). Please note that calls to this number may be monitored or recorded and no advice on the Proposals can be given.

SPARK, which is authorised and regulated by the FCA, is acting exclusively for Hunters as its financial adviser for the purposes of Rule 3 of the Takeover Code and in relation to the Acquisition and other matters referred to in this document and is not acting for any other person in relation to such matters. SPARK will not be responsible to anyone other than Hunters for providing the protections afforded to clients of SPARK or for providing advice in relation to the content of this document or any matter or arrangement referred to herein.

Centkos, which is authorised and regulated in the UK by the FCA, is acting exclusively for The Property Franchise Group as financial adviser in relation to the Acquisition and other matters referred to in this document and is not acting for any other person in relation to such matters. Centkos will not be responsible to anyone other than The Property Franchise Group for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any matter or arrangement referred to herein.

IMPORTANT NOTICES

This document and the accompanying documents are for information purposes only and do not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation and the AIM Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this document or the accompanying documents should be relied on for any other purpose.

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws and/or regulations of those jurisdictions and therefore persons into whose possession this document comes who are not resident in the United Kingdom, or who are subject to the laws of other jurisdictions, should inform themselves about and observe any such applicable legal or regulatory restrictions. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to participate in the Acquisition or to vote their Hunters Shares in respect of the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with the applicable requirements or restrictions may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

The New TPFPG Shares to be issued pursuant to the Scheme have not been, nor will they be, registered under the US Securities Act of 1933 (the “**US Securities Act**”) or under any relevant securities laws of any state, territory or other jurisdiction of the United States. Accordingly, the New TPFPG Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States except pursuant to exemptions from, or transactions not subject to, the registration requirements of the United States. The New TPFPG Shares are expected to be offered in the United States in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof.

Unless otherwise determined by The Property Franchise Group or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdiction as doing so may invalidate any purported vote in respect of the Acquisition.

If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of the New TPFPG Shares under the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements.

Under applicable US securities laws, persons (whether or not US persons) who are or will be “affiliates” (within the meaning of the US Securities Act) of The Property Franchise Group or Hunters prior to, or of the Enlarged Group after, the Effective Date will be subject to certain transfer restrictions relating to the TPFPG Shares received pursuant to the Scheme. For a description of these and certain further restrictions on offers, sales and transfers of the New TPFPG Shares and the distribution of this document, see paragraph 17 of Part II of this document. None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document or the merits of the Scheme or the Acquisition. Any representation to the contrary is a criminal offence in the United States. This document does not constitute an offer or invitation, or the solicitation, to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of, any New TPFPG Shares in any jurisdiction in which such an offer or solicitation would be unlawful.

Further information relevant to Restricted Overseas Persons is contained in paragraph 17 of Part II of this document. All Hunters Shareholders or other persons (including nominees, trustees and custodians) who would otherwise intend to or may have a contractual or legal obligation to forward this document and the accompanying Forms of Proxy to a jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action.

No person has been authorised to make any representations on behalf of The Property Franchise Group or Hunters concerning the Proposals which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part III of this document. Each Hunters Shareholder is advised to read and consider carefully the text of the Scheme itself. This is because this document, and in particular the letter from the Chairman of Hunters and the Explanatory Statement, has been prepared solely to assist Hunters Shareholders in respect of voting on the resolution to approve the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting.

Hunters Shareholders should not construe the contents of this document as legal, tax or financial advice and should consult with their own advisers as to the matters described in this document.

No statement in this document is intended to constitute a profit forecast or profit estimate for any period and no statement in this document should be interpreted to mean that the earnings or future earnings per ordinary share or dividends or future dividends per share of The Property Franchise Group or Hunters, as appropriate, for the current or future financial years would necessarily match or exceed the historical or published earnings or dividends per ordinary share for The Property Franchise Group or Hunters, as appropriate.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference into this document), any oral statements made by Hunters or The Property Franchise Group in relation to the Acquisition and other information published by Hunters or The Property Franchise Group may contain forward-looking statements with respect to the financial condition, results of operations and business of the Hunters Group, the TPF Group and/or the Enlarged Group and certain plans and objectives of the Hunters Board and the TPF Board. All statements other than statements of historical fact included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include words such as “aim”, “anticipate”, “continue”, “target”, “expect”, “estimate”, “hope”, “intend”, “plan”, “project”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar substance or meaning or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of Hunters or The Property Franchise Group or the Enlarged Group; and (ii) business and management strategies and the expansion and growth of Hunters’ or The Property Franchise Group’s or the Enlarged Group’s operations and potential synergies resulting from the Acquisition.

These statements are based on assumptions and assessments made by the Hunters Board and/or the TPF Board in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could significantly affect expected results and/or the operations of Hunters, The Property Franchise Group or the Enlarged Group. Except as expressly provided in this document, such statements have not been reviewed by the auditors of Hunters or The Property Franchise Group.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this document. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Neither Hunters nor The Property Franchise Group, nor any of their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them assumes any obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required (including as required by the Takeover Code and the AIM Rules).

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date.

There are several factors which could cause actual results to differ materially from those expressed in or implied by forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business acquisitions or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

No member of the Hunters Group or the TPF Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

DEALING DISCLOSURE REQUIREMENTS

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of Hunters or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an "Opening Position Disclosure" following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Hunters and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3:30 p.m. on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 p.m. on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of Hunters or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a **"Dealing Disclosure"**.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of Hunters or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of Hunters or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Hunters and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3:30 p.m. on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Hunters or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by Hunters and by any offeror and Dealing Disclosures must also be made by Hunters, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document, together with any information incorporated into this document by reference to another source, will be available on the following websites by no later than 12:00 noon on the Business Day following the date of publication of this document, free of charge, subject to certain restrictions relating to Restricted Overseas Persons, during the course of the Acquisition:

- www.hunters.com/other-services/investor-relations
- www.thepropertyfranchisegroup.co.uk/investors

Save where expressly stated in this document, neither the contents of The Property Franchise Group's website, nor those of Hunters' website, nor those of any other website accessible from hyperlinks on either The Property Franchise Group's or Hunters' website are incorporated into or form part of this document.

In accordance with Rule 30.3 of the Takeover Code, a person so entitled may request a hard copy of this document (and any information expressly incorporated into it by reference to another source) free of charge by contacting Hunters' Registrar, Neville Registrars, on 0121 585 1131 (or, if calling from outside the UK, on +44 121 585 1131) between 9:00 a.m. and 5:00 p.m. Monday to Friday (excluding bank or public holidays). You will need to state your name and specify the address to which the hard copy should be sent. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form.

Calls to Hunters' Registrar number are chargeable at your network provider's standard rate, and may be included in your prepaid/free national numbers. Calls to +44 121 585 1131 from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Proposals or their merits, nor any legal, taxation or financial advice, can be given. It is important that you note that unless you make such a request, a hard copy of this document and any such information incorporated by reference in it will not be sent to you.

GENERAL

Electronic Communications

Addresses, electronic addresses and certain other information provided by Hunters Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hunters may be provided to The Property Franchise Group during the Offer Period as required under section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Right to switch to a Takeover Offer

The Property Franchise Group reserves the right, at its sole discretion, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued share capital of Hunters on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments to the terms of the Acquisition arising from the change of structure from a Scheme to a Takeover Offer (subject, in each case, to Panel consent).

Times

All references to time in this document are to London time, unless otherwise stated.

Date

This document is published on 10 February 2021.

ACTION TO BE TAKEN

The Hunters Directors unanimously recommend, for the reasons set out in this document, that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as the Hunters Directors who hold Hunters Shares have irrevocably undertaken to do in respect of their own beneficial holdings of Hunters Shares, and that you take the action described below.

To become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders representing at least 75 per cent. in value of the Hunters Shares held by the Scheme Shareholders present and voting and entitled to vote (either remotely (via the Virtual Meeting Platform) or by proxy) at the Court Meeting (voting at which shall be conducted by way of a poll). Implementation of the Scheme also requires the passing of the Special Resolution by the Hunters Shareholders at the General Meeting to be held immediately thereafter.

1. Documents

You will find enclosed with this document:

- a Virtual Meeting Guide prepared by Lumi explaining how Hunters Shareholders and Scheme Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform;
- a blue Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in the UK in connection with the Forms of Proxy.

If you have not received these documents or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy, please contact Hunters' Registrar on the telephone number(s) set out on page 13 of this document.

2. Voting at the Court Meeting and the General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST, SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR TRANSMIT A PROXY INSTRUCTION (EITHER ELECTRONICALLY OR THROUGH CREST) AS SOON AS POSSIBLE AND, IN ANY EVENT, BY NO LATER THAN 10:30 A.M. ON 3 MARCH 2021 IN THE CASE OF THE COURT MEETING AND BY 11:00 A.M. ON 3 MARCH 2021 IN THE CASE OF THE GENERAL MEETING (OR IN THE CASE OF ANY ADJOURNMENT, NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE HOLDING OF THE ADJOURNED MEETING. ANY DAY WHICH IS NOT A BUSINESS DAY SHALL NOT BE TAKEN INTO ACCOUNT FOR THE PURPOSES OF CALCULATING THE DEADLINE FOR RETURNING FORMS OF PROXY FOR ANY ADJOURNED MEETING).

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at Apollo House, Eboracum Way, York YO31 7RE, at 10:30 a.m. on 5 March 2021. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting on 5 March 2021 at 11:00 a.m. (or, if later, as soon thereafter as the Court Meeting concludes or is adjourned).

As set out in the opening pages of this document and in Appendix VI (Notice of Court Meeting) and Appendix VII (Notice of General Meeting), Scheme Shareholders, Hunters Shareholders and other attendees will not be permitted to attend the Court Meeting and the General Meeting in person, but can remotely attend, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting via the Virtual Meeting Platform, as described in the opening pages of this document and the Virtual Meeting Guide.

Scheme Shareholders and Hunters Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, online, electronically through CREST or in limited circumstances

by email) set out below. Scheme Shareholders and Hunters Shareholders are also strongly encouraged to appoint the Chairperson of the relevant Meeting as their proxy. If any other person is appointed as proxy, he or she will not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, as described in the opening pages of this document and the Virtual Meeting Guide.

Scheme Shareholders and Hunters Shareholders are required to cast or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on any day which is not a Business Day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned Meeting. In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may after such time email the blue Form of Proxy to Hunters' Registrar at info@nevilleregistrars.co.uk any time prior to the commencement of the Court Meeting or any adjournment thereof.

Hunters Shareholders are entitled to appoint a proxy in respect of some or all of their Hunters Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Hunters Shareholders who wish to appoint more than one proxy in respect of their holding of Hunters Shares should contact Hunters' Registrar for further Forms of Proxy or photocopy the Forms of Proxy as required.

(a) Sending Forms of Proxy by post or email

Please complete and sign both the blue and white Forms of Proxy and return them to Hunters' Registrar at Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible but, in any event, so as to be received by no later than:

- **blue Forms of Proxy for the Court Meeting 10:30 a.m. on 3 March 2021**
- **white Forms of Proxy for the General Meeting 11:00 a.m. on 3 March 2021**

or in the case of any adjournment, no later than 48 hours before the time fixed for the adjourned meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may after that time be emailed to Hunters' Registrar at info@nevilleregistrars.co.uk any time prior to the commencement of the Court Meeting. However, if the blue Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

This will enable your votes to be counted at the Meetings. A reply-paid envelope is provided for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

(b) Online appointment of proxies through sharegateway

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to www.sharegateway.co.uk and completing the authentication requirements as set out on the Forms of Proxy.

(c) Electronic appointment of proxies through Crest

If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST (under CREST ID **7RA11**) must be sent as soon as possible, and in any event, so as to be received by no later than 10:30 a.m. on 3 March 2021 in the case of the Court Meeting and by 11:00 a.m. on 3 March 2021 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting, excluding any day which is not a Business Day). The completion and return of the Forms of Proxy will not prevent you from attending remotely (via the Virtual Meeting Platform)

and voting at the Court Meeting or the General Meeting, or any adjournment thereof, should you wish to do so and are entitled to do so.

Helplines

If you have any questions about this document (or any information incorporated into this document by reference from another source), the Meetings or are in any doubt as to how to complete the Forms of Proxy, or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy please call the Helpline between 9:00 a.m. and 5:00 p.m. Monday to Friday (except UK public holidays), on:

0121 585 1131 (from within the UK)

or

+44 121 585 1131 (from outside the UK)

Calls to Hunters' Registrar are chargeable at your network provider's standard rate, and may be included in your prepaid/free national numbers. Calls to from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Proposals or their merits, nor any legal, taxation or financial advice, can be given. Hunters' Registrar is unable to provide any technical assistance in relation to the Virtual Meeting Platform.

If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following is an indicative timetable only and sets out the expected dates for implementation of the Scheme and may be subject to change.

All times shown in this document are London times unless otherwise stated.

Event	Time and/or date 2021
Publication of this document	10 February
Voting Record Time for the Court Meeting and the General Meeting	6:00 p.m. on 3 March ⁽³⁾
Latest time for receipt of Forms of Proxy for:	
Court Meeting (blue Form of Proxy)	10:30 a.m. on 3 March ⁽¹⁾
General Meeting (white Form of Proxy)	11:00 a.m. on 3 March ⁽²⁾
TPFG General Meeting	11:00 a.m. on 3 March
Record date for the Special Dividend	5 March
Court Meeting	10:30 a.m. on 5 March
General Meeting	11:00 a.m. on 5 March ⁽⁴⁾
Payment date for the Special Dividend	12 March
Scheme Sanction Hearing (to sanction the Scheme)	16 March ⁽⁵⁾
Last day of dealings in, and registration of transfers, and disablement in CREST of, Hunters Shares	18 March ⁽⁵⁾
Scheme Record Time	6:00 p.m. on 18 March ⁽⁵⁾
Hunters Shares suspended from trading	7:30 a.m. on 19 March ⁽⁵⁾
Effective Date of the Scheme	19 March ⁽⁵⁾
Cancellation of admission of Hunters Shares on AIM	7:00 a.m. on 22 March ⁽⁵⁾
Admission of the New TPFG Shares on AIM	8:00 a.m. on 22 March ⁽⁵⁾
Crediting of New TPFG Shares to CREST accounts in respect of Scheme Shares held in uncertificated form	on or soon after 22 March ⁽⁵⁾
Latest date for CREST accounts to be credited in respect of cash consideration and fractional cash	within 14 days after the Effective Date
Latest date of despatch of share certificates for New TPFG Shares and cheques in respect of Scheme Shares held in certificated form	within 14 days after the Effective Date
Long Stop Date	11:59 p.m. on 28 May ⁽⁶⁾

(1) It is requested that the blue Form of Proxy for the Court Meeting or alternatively electronic proxies through sharegateway or CREST be lodged not later than 10:30 a.m. on 3 March 2021 or, if the Court Meeting is adjourned, not later than 48 hours before the time fixed for any adjourned Court Meeting (excluding any part of such 48 hour period falling on any day which is not a Business Day). If the blue Form of Proxy (or electronic proxy) is not lodged by this time, the blue Form of Proxy may be emailed after such time to info@nevilleregistrars.co.uk at any time prior to the commencement of the Court Meeting.

(2) In order to be valid, the white Forms of Proxy for the General Meeting or alternatively electronic proxies through sharegateway or CREST must be received by 11:00 a.m. on 3 March 2021 or, if the General Meeting is adjourned, 48 hours prior to the time fixed for the adjourned General Meeting (excluding any part of such 48 hour period falling on any day which is not a Business Day).

(3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6:00 p.m. on the day which is two Business Days prior to the date of the adjourned meeting.

(4) The General Meeting will commence at 11:00 a.m. on 5 March 2021 or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned.

(5) The dates and times above are indicative only and will depend, *inter alia*, on the date on which: (i) the Conditions are either satisfied or waived (to the extent they are capable of being waived); (ii) the Court sanctions the Scheme; and (iii) the Scheme Court Order is delivered to the Registrar of Companies. If any of the expected dates change, Hunters will give adequate notice of any change by issuing an announcement through a Regulatory Information Service and, if required by the Panel, send notice of the change(s) to Hunters Shareholders and other persons with information rights and, for information only, to participants in

the Hunters Share Plans. Hunters must implement the Scheme in accordance with the expected timetable unless (i) the Hunters Board withdraws its recommendation of the Scheme, (ii) the Hunters Board announces its decision to propose an adjournment of the Meetings or the Scheme Sanction Hearing, (iii) a Meeting or the Scheme Sanction Hearing is adjourned, or (iv) any Condition is invoked in accordance with the Takeover Code.

- (6) This is the last date on which the Scheme may become Effective unless Hunters and The Property Franchise Group agree a later date.

PART I

LETTER FROM THE CHAIRMAN OF HUNTERS PROPERTY PLC

(Registered in England and Wales under no. 09448465)

Directors:

Kevin Hollinrake (*Chairman*)
Glynis Frew (*Chief Executive Officer*)
Ed Jones (*Chief Financial Officer*)
Harry Hill (*Non-Executive Director*)
Dean Fielding (*Non-Executive Director*)

Registered office:

Apollo House
Eboracum Way
York
YO31 7RE

10 February 2021

To Hunters Shareholders and, for information only, Hunters Share Plan Participants

Dear Hunters Shareholder

Recommended cash and share offer for Hunters Property plc by The Property Franchise Group plc to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act

1. Introduction

On 28 January 2021, the Hunters Board and the TPFPG Board announced that they had reached agreement on the terms of a recommended acquisition pursuant to which The Property Franchise Group will acquire the entire issued and to be issued ordinary share capital of Hunters, to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

I am writing to you today on behalf of the Hunters Board to seek your support for, and approval of, the Acquisition. This letter sets out the background to the Acquisition and explains why the Hunters Directors, who have been so advised by SPARK as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable and why they unanimously recommend that Hunters Shareholders vote in favour of the resolutions to be proposed at the Meetings.

2. The Proposals

Under the terms of the Acquisition and pursuant to the Scheme, which is subject to the Conditions and the further terms summarised below and in Part II and set out in Appendix I to this document, each Hunters Shareholder on the register of members of Hunters at the Scheme Record Time will be entitled to receive:

for each Scheme Share: 43.2 pence in cash and 0.1655 New TPFPG Shares

On the basis of a price of 174 pence per TPFPG Share, being the price agreed at the time of the approach by The Property Franchise Group to Hunters, the Acquisition values each Hunters Share at 72 pence (the “Offer Price”) and the entire issued and to be issued share capital of Hunters at approximately £24.2 million.

In addition, the Hunters Directors have today declared the Special Dividend for the year ended 31 December 2020 of 2.7 pence per Hunters Share. The Special Dividend will be paid on 12 March 2021 to Hunters Shareholders on the register of members as at the close of business on 5 March 2021.

The Offer Price per Hunters Share represents:

- a 4.0 per cent. discount to the Closing Price per Hunters Share of 75 pence on the latest practicable date prior to the Announcement Date;

- a 23.1 per cent. premium to the Closing Price per Hunters Share of 58.5 pence on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period);
- a 16.3 per cent. premium to the three month volume-weighted average price per Hunters Share of 61.9 pence (being the volume-weighted average Closing Price for the three month period ended on the latest practicable date prior to the Announcement Date); and
- a 32.3 per cent. premium to the six month volume-weighted average price per Hunters Share of 54.4 pence (being the volume-weighted average Closing Price for the six month period ended on the latest practicable date prior to the Announcement Date).

On the basis of a price of 193 pence per TPF Share, being the Closing Price on the Latest Practicable Date, the Acquisition values each Hunters Share at 75.1 pence and the entire issued and to be issued share capital of Hunters at approximately £25.3 million, which represents a premium of 28.4 per cent. to the Closing Price per Hunters Share of 58.5p on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period).

Hunters Shareholders should note that the value of the consideration they will ultimately receive for their Hunters Shares pursuant to the Acquisition will depend upon the market value of the TPF Shares received by them following the Effective Date. As TPF Shares are admitted to trading on AIM, the market value of TPF Shares may vary.

If the Scheme becomes Effective:

- it will result in the issue of up to 5,566,744 New TPF Shares to Hunters Shareholders, which, assuming no further TPF Shares are issued prior to the Scheme becoming Effective, would result in Hunters Shareholders holding approximately 17.7 per cent. of the Enlarged Company and The Property Franchise Group's issued share capital increasing by 21.6 per cent., and in the holdings of existing TPF Shareholders being diluted, such that they will hold approximately 82.3 per cent. of the issued share capital of the Enlarged Company;
- the New TPF Shares, to be issued to Hunters Shareholders, will be issued credited as fully paid up and will rank *pari passu* in all respects with the existing TPF Shares in issue, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. In such circumstances, it is anticipated that, subject to certain restrictions, the New TPF Shares will be issued to Scheme Shareholders on the register at the Scheme Record Time. Fractions of New TPF Shares will not be allotted or issued pursuant to the Scheme directly to Scheme Shareholders and all fractional entitlements will instead be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of sale (after deductions of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) shall be paid to the relevant Scheme Shareholders who would otherwise be entitled to such fractions in due proportions (rounded down to the nearest penny). However, individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will instead be retained for the benefit of the Enlarged Group;
- application will be made to the London Stock Exchange for the New TPF Shares to be admitted to trading on AIM, as further detailed in paragraph 20 of Part II of this document; and
- application will be made to cancel the admission to trading on AIM of the Hunters Shares, as further detailed in paragraph 11 of Part I of this document below.

Scheme becoming Effective

It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement between Hunters and the Scheme Shareholders, made under Part 26 of the Companies Act. The Property Franchise Group reserves the right to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent.

The purpose of the Scheme is to provide for The Property Franchise Group to become the owner of the entire issued and to be issued ordinary share capital of Hunters. Following the Scheme becoming Effective, the Scheme Shares will be transferred to The Property Franchise Group fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this document, in consideration for which Scheme Shareholders whose names appear on the register of members of Hunters at the Scheme Record Time will be provided with 0.1655 New TPFPG Shares for each Scheme Share held by them.

Hunters Shares issued after the Scheme Record Time will not be subject to the Scheme. Accordingly, it is proposed that the Hunters Articles be amended so that Hunters Shares issued after the Scheme Record Time other than to The Property Franchise Group will be automatically acquired by The Property Franchise Group on the same terms as under the Scheme.

It is expected that Hunters will close its register of members at 6:00 p.m. on 18 March 2021 and the admission to trading of the Hunters Shares, and dealings in such shares, on AIM will be suspended from 7:30 a.m. on 19 March 2021. It is intended that application will be made to the London Stock Exchange for such shares to cease to be admitted to trading on AIM with effect from 7:00 a.m. on 22 March 2021. It is expected that the New TPFPG Shares will be admitted to trading on AIM at 8:00 a.m. on 22 March 2021.

To become Effective, the Scheme requires, among other things, the approval of a majority in number, representing not less than 75 per cent. in value of the Scheme Shares held by Scheme Shareholders present and voting and entitled to vote (remotely (via the Virtual Meeting Platform) or by proxy) at the Court Meeting, and the passing of the Special Resolution at the General Meeting.

Given the current guidance and uncertainty on what additional and/or alternative measures may be put in place in relation to restricting social gatherings in view of the COVID-19 pandemic, attendance and voting in person at the Meetings will not be permitted (save for those Hunters Shareholders permitted by the Chairperson of the relevant Meeting to establish a quorum). However, the Scheme Shareholders and Hunters Shareholders are reminded that they can remotely attend, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting via the Virtual Meeting Platform, as described in the opening pages of this document and the Virtual Meeting Guide.

Scheme Shareholders and Hunters Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST, and in limited circumstances by email) set out in this document. Scheme Shareholders and Hunters Shareholders are also strongly encouraged to appoint the Chairperson of the relevant Meeting as their proxy. If any other person is appointed as proxy, he or she will not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform.

The Conditions in paragraph 2 of Appendix I to this document provide, amongst other things, that the Scheme will lapse if:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such Meetings as set out in this document (or such later date as may be agreed between The Property Franchise Group and Hunters and the Court may allow);
- the Scheme Sanction Hearing to approve the Scheme is not held on or before the 22nd day after the expected date of such Scheme Sanction Hearing as set out in this document or such later date as may be agreed between The Property Franchise Group and Hunters and the Court may allow); or
- the Scheme is not Effective on or before the Long Stop Date or such later date and time as The Property Franchise Group and Hunters may agree and the Court and the Takeover Panel may allow.

The Acquisition and the Scheme is also subject to the other terms and Conditions set out in Appendix I to this document, including:

- the passing at the TPFG General Meeting (or at any adjournment thereof) of the TPFG Resolution to authorise the allotment and issue of the New TPFG Shares to Hunters Shareholders (and any other Hunters Shareholders whose Hunters Share are issued after the Scheme becomes Effective);
- the London Stock Exchange having acknowledged to The Property Franchise Group or its agent (and such acknowledgement not having been withdrawn) that the New TPFG Shares will be admitted to trading on AIM; and
- in so far as the Acquisition satisfies the thresholds for notification and premerger authorisation under the United Kingdom Enterprise Act 2002, where the CMA has opened a CMA Merger Investigation either (i) confirmation having been received in writing from the CMA that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made.

Once the necessary approvals from Hunters Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective only upon a copy of the Court Order being delivered to the Registrar of Companies. Subject to the satisfaction or (where applicable) waiver of the Conditions, the Scheme is expected to become Effective during the first quarter of 2021.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting (and, if they attended (virtually (via the Virtual Meeting Platform) or in proxy) and voted, whether or not they voted in favour).

The Scheme will be governed by English law and will be subject to the jurisdiction of the Courts of England and Wales. The Scheme will also be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules and the London Stock Exchange.

Further details of the Scheme are set out in the Explanatory Statement in Part II and the terms of the Scheme in Part III of this document.

The Explanatory Statement in compliance with section 897 of the Companies Act is set out in Part II of this document.

3. Background to and reasons for recommending the Acquisition

The TPFG Group is a UK-based property franchise business. Since the admission of The Property Franchise Group to AIM in December 2013, the TPFG Group has steadily grown its revenues from £4.1 million to £11.4 million for the financial year ended 31 December 2019. For the same period, the TPFG Group increased its adjusted operating profit from £1.8 million to £5.0 million. This has been achieved primarily through organic growth but also supported by acquisitions, including the TPFG Group's purchase of EweMove in 2016, which expanded its offering to include a hybrid estate agency model.

Today, the TPFG Group operates as a pure franchising business through six award winning brands, operating almost 250 offices across the UK, with over 60 per cent. of its franchisees having traded for over five years.

The TPFG Board has over the past few years been monitoring the market for an attractive opportunity with a view to achieving increased scale of its property franchising model.

The Hunters Group is a property franchise business, specialising in residential sales and lettings, based in the UK, with its head office in York. The Hunters Group has traded under the Hunters brand since inception in 1992. As a result of both organic and acquisitive growth, as at 31 December 2020 its network comprised 209 branches. The Hunters brand has become widely known and has a strong reputation within the estate and lettings agency market.

The TPFG Board believes that Hunters is a complementary business to acquire and that a combination of The Property Franchise Group and Hunters provides an opportunity to create a leading entity in the UK property franchising sector, with enhanced potential for growth within the Enlarged Group.

The TPFG Board and Hunters Board believe that the Acquisition provides compelling value for Hunters Shareholders in the context of a challenging housing market and broader macro-economic uncertainty as a result of the Covid-19 pandemic. The terms of the Acquisition provide Hunters Shareholders with a combination of certain cash, as well as the New TPFG Shares, allowing participation in the future capital and income returns of the enlarged business, with the Offer Price representing a significant premium to Hunters' share price performance prior to the Rule 2.4 Announcement by Hunters on 4 December 2020. The Offer Price represents a 32.3 per cent. premium to Hunters' volume weighted average share price over the six months ended on 27 January 2021, being the latest practicable date prior to the Announcement Date.

It is anticipated that the Enlarged Group will benefit from increased scale, which would enable it to take full advantage of the UK housing market.

Further to the above, the TPFG Board believes that the key reasons for proceeding with the Acquisition are as follows:

- *Enhanced scale and geographic reach* – the Enlarged Group will benefit from increased scale with more than 400 physical branches, managing in excess of 70,000 tenanted properties and selling more than 20,000 properties per annum.
- *Earnings accretion and annual synergies* – the TPFG Board has identified areas of potential synergies, which would provide a stronger platform for further organic growth and further enhancement of the progressive and resilient dividend policy. These are anticipated to be largely cost synergies including but not limited to: leverage of IT expertise, operational savings from duplicated costs across some administrative functions and operational cost savings from the cancellation of Hunters' AIM quotation.
- *Acceleration of financial services strategy* – the Enlarged Group would have the scale to make effective use of The Property Franchise Group's plans to create a pool of 100 financial advisers, as well as to justify further recruitment in this area. To date, neither The Property Franchise Group nor Hunters has been able to fully exploit the significant opportunities that exist in this area.
- *Strengthened management team* – it is proposed that the executive directors of both The Property Franchise Group and Hunters will remain within the Enlarged Group following completion of the Acquisition. It is proposed that Glynis Frew, Chief Executive of Hunters, will join the Enlarged Group as an Executive Director of The Property Franchise Group whilst Ed Jones will join as Group Finance Director and Company Secretary, a non-board position. Gareth Samples will remain as the TPFG Group CEO and David Raggett as the TPFG Group CFO. It is proposed that Dean Fielding, currently a Non-Executive Director of Hunters, will join the Enlarged Group as an independent Non-Executive Director of The Property Franchise Group. Richard Martin will continue as Non-Executive Chairman of the Enlarged Group; Paul Latham will become Deputy Chairman and Non-Executive Director Phil Crooks will also remain on the TPFG Board as an independent Non-Executive Director.
- Furthermore, the TPFG Board believes that the Acquisition provides significant opportunities to properly exploit the existing and additional income streams within the Enlarged Group from converting independent operators, assisting franchisees in the purchase of managed portfolios of tenanted properties, and through the use of digital marketing over a considerably increased customer database.

For the reasons set out above, the TPFG Board believes that the Acquisition is in the best interest of the shareholders of both The Property Franchise Group and Hunters in the immediate and long term.

The Hunters Board believes that the Enlarged Group would provide a larger, more resilient entity in a time of macro-economic uncertainty, with a strengthened management team, greater liquidity in shares, cost synergies and significant opportunities to properly exploit the existing and additional income streams within the Enlarged Group.

4. Information on Hunters

The Hunters Group is a franchised estate agency group based in the UK, with its head office in York. The Hunters Group has traded under the Hunters brand since inception in 1992. As a result of both organic growth and acquisitions, at 31 August 2020 its network comprises 209 branches. The Hunters brand has become widely known and has a strong reputation within the estate and lettings agency market. The business was founded on the principles of delivering excellent customer service, unrivalled proactivity and the best results for its customers. These principles remain at the heart of Hunters.

Hunters is a public company quoted on AIM (AIM: HUNT) with a market capitalisation of approximately £22.0 million (as at the Latest Practicable Date).

Hunters was admitted to trading on AIM in July 2015. In its financial year ending 31 December 2019, the Hunters Group generated turnover of £14 million (31 December 2018: £14 million). During the twelve month period ended 31 December 2019 the EBITDA of the Hunters Group was £2.8 million (31 December 2018: £2.3 million), the adjusted profit before tax was £2.1 million (31 December 2018: £2.0 million) and the adjusted basic earnings per share was 5.86 pence (31 December 2018: 5.93 pence).

In the interim results of the Hunters Group for the period ended 30 June 2020 (published on 29 September 2020), the net assets of the Hunters Group stood at £8 million (31 December 2019: £7.5 million), the retained cash was £5.6 million (31 December 2019: £1.3 million) and its net debt stood at £2.2 million (31 December 2019: £3.2 million). Included in these figures is the Hunters Group's £3.5 million Coronavirus Business Interruption Loan which it has not used.

5. Information on The Property Franchise Group

The TPF Group is a UK-based property franchise business. The Property Franchise Group is the holding company of five trading subsidiaries with a stable of six national and regional estate and letting agency brands operating over 240 physical branches across the UK: Martin & Co, EweMove, Whitegates, Ellis & Co, CJ Hole and Parkers.

The Property Franchise Group adopted a franchise model in 1995 and has enjoyed a high level of franchisee retention. The TPF Group's origin is Martin & Co, a business started as an estate agency in Yeovil by Richard & Kathy Martin in 1986. The Martins then added a lettings service and in 1995 began to franchise their business model.

The Property Franchise Group is a public company quoted on AIM (AIM: TPF) with a market capitalisation of approximately £49.8 million (as at the Latest Practicable Date). The Property Franchise Group was admitted to trading on AIM in December 2013.

The TPF Group has a strong presence in lettings and, as at the date of the Announcement, manages 58,000 properties on behalf of landlords. It also has a growing presence in estate agency, completing on the sale of 10,800 homes in 2019. The Property Franchise Group is a multi-award winning business with recent successes including "best national lettings agent" at the EA Masters awards in 2019 and "the hybrid estate agency of the year" at the 2019 Negotiator awards for EweMove. CJ Hole and Parkers, brands owned by the TPF Group, also won Best Estate Agent Guide awards in 2019.

In its financial year ending 31 December 2019, the TPF Group revenue for the financial year to 31 December 2019 was £11.4 million (31 December 2018: £11.2 million). During the twelve month period ended 31 December 2019, the adjusted EBITDA of the TPF Group was £5.3 million (31 December 2018: £5.1 million) an increase of £0.2 million (5 per cent.) over the prior year. The profit before tax was £4.0 million for 2019 (2018: £4.3 million) and the average earning per share was 12.5 pence (2018: 13.3 pence)

In the interim results of the TPF Group for the period ended 30 June 2020 (published on 8 September 2020), the TPF Group reported robust revenues of £5.4 million despite the closure and challenges caused by the Covid-19 pandemic. The TPF Group's profit before tax position remained stable at £2.0 million. The TPF Group's balance sheet was strong with a net cash position of £6.1 million at 30 June 2020 (30 June 2019: £2.8 million) and net cash generated from operations of £2.2 million.

6. Management, employees, locations of business and strategic plans

The Property Franchise Group's strategic plans for Hunters

The Property Franchise Group and Hunters have complementary businesses. The TPF Board believes that the Acquisition will allow the Enlarged Group to enhance its value proposition to franchisees and customers, while building a stronger and more efficient franchisee network. The Property Franchise Group envisages that the business of Hunters would continue to operate materially in the same way without significant disruption to the businesses of either The Property Franchise Group or Hunters once the Hunters Group has been fully integrated with the TPF Group.

The TPF Board has identified areas of potential synergies, which would provide a stronger platform for further organic growth and further enhancement of the progressive and resilient dividend policy. These are anticipated to be largely cost synergies at the outset including but not limited to: leverage of IT expertise, operations cost savings from the cancellation of Hunters' AIM quotation and operational savings from duplicated costs across some administrative functions.

Employees and Management

The Property Franchise Group holds in high regard the achievements and expertise of the existing management and employees of Hunters.

The TPF Board has identified areas of potential cost synergies which will be reviewed in more detail following completion of the Acquisition. Subject to the below, The Property Franchise Group does not intend to initiate any material headcount reductions within the Hunters Group as a result of the Acquisition and expects that existing employees of Hunters will continue to contribute to Hunters' ongoing success. However, to the extent that there are operational inefficiencies or a duplication of functions or roles within the Enlarged Group, this would result in a limited number of headcount reductions.

At this stage The Property Franchise Group has not yet developed a proposal as to how any such headcount reductions might be implemented and will only develop and implement such a proposal once the review referred to above has been completed. Any implementation of headcount reductions by the Enlarged Group will be subject to comprehensive planning and engagement with employees and consultation with employee representatives as required by applicable law. Any affected employees will be treated in a fair and equitable manner.

It is proposed that the existing Non-Executive Directors of Hunters will each resign as a Hunters Director upon completion of the Acquisition, save for Dean Fielding who it is proposed will join the TPF Board as an independent Non-Executive Director.

Existing Rights and pensions schemes

The Property Franchise Group otherwise confirms that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of the Hunters Group's management and employees will be fully safeguarded in accordance with applicable law. The Property Franchise Group does not intend to make any changes with regards to the Hunters Group's existing pension scheme including with regard to the accrual of benefits for existing members and the admission of new members. Hunters does not have any defined benefit pension scheme.

Locations and headquarters

Following the completion of the Acquisition, The Property Franchise Group does not intend to make any restructurings or changes in location of either The Property Franchise Group's or Hunters' headquarters and headquarters functions and places of business. In addition, no changes are expected with respect to the deployment of Hunters' fixed asset base or the research and development functions of Hunters.

Trading Facilities

The Hunters Shares are currently admitted to trading on AIM. Subject to the Scheme becoming Effective, an application will be made to the London Stock Exchange to cancel the admission of the Hunters Shares to trading on AIM, following which Hunters will be re-registered as a private limited company.

The effect of the Covid-19 pandemic on near-term operational execution and decision-making

The unknown duration and extent of the macro and micro economic consequences of the Covid-19 pandemic and the steps taken by the UK Government to address health risks remain a material risk. The ongoing pandemic may impact the Enlarged Group's views on near-term operational execution and decision-making, and therefore the Enlarged Group may need to be agile to adapt its operational and strategic intentions to the impact of the pandemic.

7. Current trading and prospects¹

Hunters

On 29 September 2020, Hunters announced that it was trading strongly following the UK national lockdown which ended in May 2020 and it continued to do so to the end of its financial year ending 31 December 2020. As a result of savings made and restructuring undergone by the Hunters Group and the support provided under various government initiatives, Hunters has been able to offset the extent of the downside disruption. The Hunters Directors are looking to report on the back of a strong finish to the financial year ending 31 December 2020 and a network pipeline of £17 million (December 2019: £9 million). With strong trading since the end of the first lockdown and having refrained from dividend payments since November 2019, the Hunters Group net debt position has improved accordingly.

The Property Franchise Group

On 8 September 2020, The Property Franchise Group announced in its interim results that the TPF Group had traded strongly against the background of the pandemic and lockdowns. Furthermore, activity since estate agents were able to re-open their offices at the end of May 2020 had resulted in record performances being set across lettings and sales in June 2020 and July 2020. Revenues for H1 2020 were £5.4 million (H1 2019: £5.4 million); adjusted EBITDA for H1 2020 was £2.5 million (H1 2019: £2.4m) and profit before tax for H1 2020 was £2.0 million (H1 2019: £2.0 million). The TPF Group reported a strong balance sheet with a net cash position of £6.1 million allowing for a reinstatement of dividend payments with an interim dividend of 2.1 pence and a return to the execution of key strategic growth initiatives.

Current trading for The Property Franchise Group has continued to be strong and the TPF Board expects full year results to be in line with management expectations.

8. Hunters Share Plans

As at the Latest Practicable Date, options over 1,888,000 Hunters Shares remained outstanding under the Hunters Share Plans, of which options over 821,333 Hunters Shares will be valid and/or invited for exercise prior to and conditional upon the Scheme being sanctioned by the Court. The balance of the options over 1,066,667 Hunters Shares granted under the Hunters Share Plans will be dealt with as follows:

¹ The statements in this document should not be construed as a profit forecast or interpreted to mean that the Enlarged Group's earnings in the period following the Acquisition up until its financial year end, or in any subsequent period, would necessarily match or be greater than or be less than those of The Property Franchise Group and/or Hunters for the relevant preceding financial period or any other period.

- each of Ed Jones, Glynis Frew and Kevin Hollinrake has agreed to surrender options over an aggregate of 700,000 of Hunters Shares granted pursuant to the Hunters Property Senior Executive Share Option Scheme subject to and conditional upon the Scheme becoming Effective; and
- in respect of options over 366,667 Hunters Shares granted under the Hunters Property Senior Executive Share Option Scheme the Hunters Board will not exercise its discretion under the Hunters Property Senior Executive Share Option Scheme rules to invite the exercise of these options in respect of such number of Hunters Shares (on the basis that such options have not vested to that extent and will lapse as to 366,667 Hunters Shares subject to and conditional upon the Scheme becoming Effective).

Participants in the Hunters Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Hunters Share Plans and appropriate proposals will be made to such participants in due course.

9. Irrevocable undertakings and letters of support

Hunters Meetings

The Property Franchise Group has received irrevocable undertakings from each of the Hunters Directors to vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 11,212,619 Hunters Shares, representing approximately 34.2 per cent. of the ordinary share capital of Hunters in issue as at the Latest Practicable Date.

In addition to the Hunters Directors, The Property Franchise Group has received irrevocable undertakings from Nigel Wray, John Waterhouse and Martin Robinson to vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 12,134,287 Hunters Shares representing approximately 37.0 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

In aggregate, therefore, irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the Hunters General Meeting have been received in respect of a total of 23,346,906 Hunters Shares, representing approximately 71.1 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date.

TPFG General Meeting

The Property Franchise Group has also received irrevocable undertakings from each of the TPFG Directors in respect of a total of 8,317,350 existing TPFG Shares, which together represent approximately 32.2 per cent. of the ordinary share capital of The Property Franchise Group in issue as at the Latest Practicable Date).

Further details of these irrevocable undertakings are set out in Appendix III to this document.

10. TPFG Shareholder approval

In order to allot and issue the New TPFG Shares, The Property Franchise Group will be required to seek the approval of the TPFG Shareholders at the TPFG General Meeting.

The Property Franchise Group intends to send, on or around the date of this document, the TPFG Circular to TPFG Shareholders, including a notice convening the TPFG General Meeting. The Acquisition is conditional on, amongst other things, the TPFG Resolution being passed by the requisite majority of TPFG Shareholders at the TPFG General Meeting which will be convened to be held at 11:00 a.m. on 3 March 2021.

The TPFG Directors consider the Acquisition to be in the best interests of The Property Franchise Group and the TPFG Shareholders as a whole and intend unanimously to recommend that TPFG Shareholders vote in favour of the TPFG Resolution to be proposed at the TPFG General Meeting, as they have irrevocably undertaken to do, in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 8,317,350 TPFG Shares representing, in aggregate, approximately 32.2 per cent. of The Property Franchise Group's ordinary share capital in issue as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out Appendix III this document.

11. Cancellation of admission to trading on AIM of Hunters Shares and re-registration as a private limited company

The attention of Hunters Shareholders is drawn to paragraph 18 of the Explanatory Statement set out in Part II of this document in relation to The Property Franchise Group's intentions with regard to the cancellation of admission to trading on AIM of the Hunters Shares and the re-registration of Hunters as a private limited company.

12. United Kingdom taxation

A summary of certain aspects of UK taxation, which is intended as a general guide only, is set out in Appendix II to this document. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate independent professional adviser immediately.

13. Action to be taken

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or transmit a proxy instruction (either electronically or through CREST) as soon as possible. Your attention is drawn to paragraph 22 of Part II of this document which explains the actions you should take in relation to the Acquisition.

Overseas Hunters Shareholders should refer to paragraph 17 of Part II of this document. Notices convening the Court Meeting and General Meeting are set out in Appendix VI and Appendix VII, respectively, to this document.

Sending Forms of Proxy by post or email

Please complete and sign both the blue and white Forms of Proxy and return them to Hunters' Registrar at Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible but, in any event, so as to be received by no later than:

- **blue Forms of Proxy for the Court Meeting 10:30 a.m. on 3 March 2021**
- **white Forms of Proxy for the General Meeting 11:00 a.m. on 3 March 2021**

or in the case of any adjournment, no later than 48 hours before the time fixed for the adjourned meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed after that time to Hunters' Registrar at info@nevilleregistrars.co.uk any time prior to the commencement of the Court Meeting. Please note that any blue Forms of Proxy sent to this email address before 10:30 a.m. on 5 March 2021 may be discounted as invalid. If the white Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

This will enable your votes to be counted at the Meetings. A reply-paid envelope is provided for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

Online appointment of proxies through sharegateway

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to www.sharegateway.co.uk and completing the authentication requirements as set out on the Forms of Proxy.

Electronic appointment of proxies through Crest

If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST (under CREST ID **7RA11**) must be sent as soon as possible, and in any event, so as to be received by no later than 10:30 a.m. on 3 March 2021 in the case of the Court Meeting and by 11:00 a.m. on 3 March 2021 in the case of the General Meeting, or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned meeting. The completion and return of the Forms of Proxy will not prevent you from remotely attending and voting at the Court Meeting or the General Meeting, or any adjournment thereof, should you wish to do so.

Remote Attendance at the Meetings

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to remotely attend and/or vote at the Meetings, you are therefore strongly advised to sign and return your blue Form of Proxy by post or transmit a proxy appointment and voting instruction (online or electronically through CREST) for the Court Meeting as soon as possible. The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, electronically through CREST or by any other procedure described in this document) will not prevent you from remotely attending, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case via the Virtual Meeting Platform as described in the opening pages of this document and the Virtual Meeting Guide, if you are entitled to and wish to do so.

Helplines

If you have any questions relating to this document or the completion and return of the Forms of Proxy, or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy helplines are available. Please see page 13 of this document for details. Please note that calls to the helpline numbers may be monitored or recorded and that, for legal reasons, the helplines cannot provide advice on the Acquisition or its merits or give any personal, legal, financial or tax advice.

14. Further Information

Please read carefully the remainder of this document (and the information incorporated by reference into this document). The information in this letter is not a substitute for reading the remainder of this document. Your attention is drawn in particular to the letter from SPARK set out in Part II of this document (being the Explanatory Statement pursuant to section 897 of the Companies Act). The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions to the implementation of the Acquisition in Appendix I, the information on UK taxation in Appendix II and the additional information set out in Appendix III to this document.

15. Recommendation

The Hunters Directors, who have been so advised by SPARK as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hunters Directors, SPARK has taken into account the commercial assessments of the Hunters Directors. SPARK is providing independent financial advice to the Hunters Directors for the purposes of Rule 3 of the Takeover Code.

The Hunters Directors consider that the Acquisition is in the best interests of Hunters Shareholders as a whole and, accordingly, unanimously recommend that all Scheme Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and all eligible Hunters Shareholders vote or procure votes in favour of the Special Resolution at the General Meeting, (as the Hunters Directors have irrevocably undertaken to do in respect of their own beneficial shareholdings to the extent referred to in paragraph 9 of this Part I) or, if (with the consent of the Panel), The Property Franchise Group exercises its right to implement the Acquisition by way of a Takeover Offer, to accept or procure acceptances of such Takeover Offer.

You are advised to read the whole of this document and not just to rely on the summary information contained in this letter.

Yours faithfully

Kevin Hollinrake
Chairman
Hunters Property plc

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)

SPARK Advisory Partners Limited
5 St John's Lane
London
EC1M 4BH

To Hunters Shareholders and for information only Hunters Share Plan Participants

10 February 2021

Dear Hunters Shareholder

Recommended cash and share offer for of Hunters Property plc by The Property Franchise Group plc

1. Introduction

On 28 January 2021, the Hunters Board and TPF Group announced that they had reached agreement on the terms of a recommended Acquisition pursuant to which The Property Franchise Group will acquire the entire issued and to be issued ordinary share capital of Hunters. It is intended that the Acquisition will be effected by means of a scheme of arrangement between Hunters and Scheme Shareholders under Part 26 of the Companies Act.

The Scheme requires, amongst other things, the approval of the Hunters Shareholders entitled to attend and vote at the Court Meeting and the sanction of the Court.

Your attention is drawn to the letter from the Chairman of Hunters, set out in Part I of this document, which forms part of this Explanatory Statement. That letter contains, among other things, the background to and reasons for the Acquisition and the Hunters Board's unanimous recommendation that all Hunters Shareholders vote in favour of the resolutions to be proposed at the Meetings.

The Hunters Board has been advised by SPARK in connection with the Acquisition. SPARK has been authorised by the Hunters Directors to write to you to explain the Scheme and the Acquisition and to provide you with other relevant information. This letter sets out and explains the provisions of the Scheme. The Scheme is set out in full in Part III of this document. Your attention is also drawn to the Conditions set out in Appendix I to this document, the further information set out in Appendices II to IV to this document and to the expected timetable of principal events set out on page 15 of this document.

Please note that the timings set out in this document are indicative only and are subject to change.

2. Summary of the terms of the Acquisition

The Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme is subject to the Conditions and further terms set out in Appendix I to this document. The Scheme provides that, if it becomes Effective, all of the Scheme Shares will be transferred to The Property Franchise Group. In exchange, under the terms of the Scheme, all Hunters Shareholders on the register of members of Hunters at the Scheme Record Time will be entitled to receive:

for each Scheme Share held: 43.2 pence in cash and 0.1655 New TPF Group Shares.

In addition, the Hunters Directors have today declared the Special Dividend for the year ended 31 December 2020 of 2.7 pence per Hunters Share. The Special Dividend will be paid on 12 March 2021 to Hunters Shareholders on the register of members as at the close of business on 5 March 2021.

If any dividend (other than the Special Dividend or any dividend declared before the Effective Date by any wholly-owned subsidiary of the Company to the Company or any of the Company's wholly-owned subsidiaries) or other distribution or return of capital is proposed, declared, made, paid or becomes payable by the Company on or before the Effective Date, The Property Franchise Group shall reduce the consideration payable for each Scheme Share under the Scheme by the amount per Hunters Share of such dividend, distribution or return of capital (and the exercise of such right shall not be regarded as constituting any revision or variation of the terms of the Scheme). The cash element of the consideration payable for each Scheme Share shall be reduced first.

The Offer Price represents:

- a 4.0 per cent. discount to the Closing Price per Hunters Share of 75 pence on the latest practicable date prior to the Announcement Date;
- a 23.1 per cent. premium to the Closing Price per Hunters Share of 58.5 pence on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period);
- a 16.3 per cent. premium to the three month volume-weighted average price per Hunters Share of 61.9 pence (being the volume weighted average Closing Price for the three-month period ended on the latest practicable date prior to the Announcement Date); and
- a 32.3 per cent. premium to the six month volume -weighted average price per Hunters Share of 54.4 pence (being the volume weighted average Closing Price for the six-month period ended on the latest practicable date prior to the Announcement Date).

On the basis of a price of 193 pence per TPFPG Share, being the Closing Price on the Latest Practicable Date, the Acquisition values each Hunters Share at 75.1 pence and the entire issued and to be issued share capital of Hunters at approximately £25.3 million, which represents a premium of 28.4 per cent. to the Closing Price per Hunters Share of 58.5p on 3 December 2020 (being the Business Day prior to the commencement of the Offer Period).

Hunters Shareholders should note that the value of the consideration they will ultimately receive for their Hunters Shares pursuant to the Acquisition will depend upon the market value of the TPFPG Shares received by them following the Effective Date. As TPFPG Shares are admitted to trading on AIM, the market value of TPFPG Shares may vary.

If the Scheme becomes Effective:

- it will result in the issue of 5,566,744 New TPFPG Shares to Hunters Shareholders, which, assuming no further TPFPG Shares are issued prior to the Scheme becoming Effective, would result in Hunters Shareholders holding approximately 17.7 per cent. of the Enlarged Company and The Property Franchise Group's issued share capital increasing by 21.6 per cent., and in the holdings of existing TPFPG Shareholders being diluted, such that they will hold approximately 82.3 per cent. of the issued share capital of the Enlarged Company;
- the New TPFPG Shares, to be issued to Hunters Shareholders, will be issued credited as fully paid up and will rank *pari passu* in all respects with the existing TPFPG Shares in issue, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. In such circumstances, it is anticipated that, subject to certain restrictions, the New TPFPG Shares will be issued to Scheme Shareholders on the register at the Scheme Record Time. Fractions of New TPFPG Shares will not be allotted or issued pursuant to the Scheme directly to Scheme Shareholders and all fractional entitlements will instead be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of sale (after deductions of broking fees and other sales costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) shall be paid to the relevant Scheme Shareholders who would otherwise have been entitled to such fractions in due proportions (rounded down to the nearest penny). However, individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will instead be retained for the benefit of the Enlarged Group;

- application will be made to the London Stock Exchange for the New TPFG Shares to be admitted to trading on AIM; and
- application will be made to cancel the admission to trading on AIM of the Hunters Shares.

If you wish the Scheme to become Effective, you are urged to complete, sign and return the enclosed Forms of Proxy or transmit a proxy instruction (either electronically or through CREST) as soon as possible. You should note that if there is insufficient Scheme Shareholder support for the Scheme at the Meetings, the Scheme will not become Effective.

3. Information on Hunters and The Property Franchise Group

Please refer to paragraphs 4 and 5 of Part I of this document.

4. The Structure of the Acquisition

(a) Introduction

It is intended that the Acquisition will be effected by a means of a Court-sanctioned scheme of arrangement between Hunters and the Scheme Shareholders under Part 26 of the Companies Act. The Property Franchise Group reserves the right to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent. The Scheme, if it becomes Effective, will result in The Property Franchise Group becoming the owner of the whole of the issued and to be issued ordinary share capital of Hunters.

To become Effective, the Scheme requires, among other things, the approval of a majority in number of those Scheme Shareholders who are present and vote (and who are entitled to vote) either remotely (via the Virtual Meeting Platform) or by proxy at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares held by such Hunters Shareholders. The Scheme also requires the passing of the Special Resolution to be proposed at the General Meeting, as well as satisfaction or waiver of the other Conditions set out in Appendix I to this document. The Special Resolution requires the approval of Hunters Shareholders (either remotely (via the Virtual Meeting Platform) or by proxy) representing at least 75 per cent. of the votes cast at the General Meeting.

Following the Meetings and the satisfaction (or, where applicable, waiver) of the other Conditions, under the Companies Act the Scheme must also be sanctioned by the Court at the Scheme Sanction Hearing. The Scheme Sanction Hearing is expected to be held on 16 March 2021, subject to the satisfaction or waiver of the other Conditions. The Property Franchise Group shall undertake to the Court to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme. The Scheme will become Effective only upon the delivery of the Scheme Court Order to the Registrar of Companies. It is expected that the Scheme will become Effective during the first quarter of 2021, subject to the satisfaction or (where applicable) waiver of the Conditions. If the Scheme does not become Effective by the Long Stop Date, or such later date as The Property Franchise Group and Hunters may agree and, if required, the Court and the Panel may allow, the Scheme will not become Effective and the Acquisition will not take place.

Upon the Scheme becoming Effective:

- (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended and/or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution proposed at the General Meeting; and**
- (ii) The Property Franchise Group (and/or its nominee(s)) will acquire the Scheme Shares fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this document.**

Any adjournment of the General Meeting or the Court Meeting, or a decision by Hunters to propose such an adjournment, will be announced promptly by Hunters through a Regulatory Information Service. If the Meetings or Scheme Sanction Hearing are adjourned to a specified date, the announcement will set out the relevant details of the adjourned meeting or hearing. If no such date is specified the adjourned date will be announced separately.

Further details of the Meetings and the Conditions are set out in paragraphs (b) and (h) below.

(b) *The Meetings*

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at Apollo House, Eboracum Way, York YO31 9JX at 10:30 a.m. on 5 March 2021. The Scheme will also require the approval of Hunters Shareholders of the Special Resolution at the General Meeting to be held at the same address at 11:00 a.m. on 5 March 2021 (or, if later, as soon thereafter as the Court Meeting has concluded or been adjourned).

Given the current guidance and the general uncertainty on what additional and/or alternative measures may be put in place in relation to restricting social gatherings in view of the COVID-19 pandemic, Hunters Shareholders will not be permitted to attend the Meetings physically, save for those Hunters Shareholders permitted by the Chairperson of the relevant Meeting to establish a quorum. Scheme Shareholders and Hunters Shareholders can remotely attend, submit written questions and/or any objections (in the case of the Court Meeting) and vote at the Court Meeting or the General Meeting in each case via the Virtual Meeting Platform, as described in the opening pages of this document, the Virtual Meeting Guide and in the notices of the Court Meeting and the General Meeting (see Appendices VI and VII to this document).

Access to the Meetings will be available from 10:15 a.m. on 5 March 2021, although the voting functionality will not be enabled until the Chairperson of the relevant Meeting declares the poll open. Scheme Shareholders and Hunters Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Hunters Directors during the course of the relevant Meeting. Scheme Shareholders can use the same function to submit any written objections they may have to the Scheme at the Court Meeting. The Chairperson of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairpersons's discretion, otherwise be undesirable in the interests of the Company or the good order of the Meeting.

Entitlements to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to holdings of Hunters Shares as shown in the register of members of Hunters at the Voting Record Time.

Whether or not you vote in favour of the resolutions to be proposed at the Meetings, if the Scheme becomes Effective, your Scheme Shares will be transferred to The Property Franchise Group and you will receive the consideration due under the terms of the Acquisition.

As soon as practicable and, in any event, by no later than 8:00 a.m. on the Business Day following the Meetings, Hunters shall make an announcement through a Regulatory Information Service stating whether or not the resolutions put to shareholders at the Meetings were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Meetings.

The Court Meeting

You will find set out in Appendix VI to this document notice of the Court Meeting which has been convened for 10:30 a.m. on 5 March 2021 by order of the Court for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder entitled to attend and vote and who is present remotely (via the Virtual Meeting Platform) or by proxy will, subject to the below, be entitled to one vote for each Scheme Share held by him or her as at the Voting Record Time.

The approval required at the Court Meeting is the approval of a majority in number of those Scheme Shareholders who are present and vote (and who are entitled to vote) either remotely (via the Virtual Meeting Platform) or by proxy, at the Court Meeting (or any adjournment thereof), and who represent not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders. Scheme Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast (whether remotely (via the Virtual Meeting Platform) or by proxy) so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion.

Whether or not you intend to remotely attend and/or vote at the Meetings, you are therefore strongly advised to sign and return your blue Form of Proxy by post or transmit a proxy appointment and voting instruction (online or electronically through CREST) for the Court Meeting as soon as possible and, in any event, so as to be received by Hunters' Registrar by no later than 10:30 a.m. on 3 March 2021.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed after that time to Hunters' Registrar at info@nevilleregistrars.co.uk any time prior to the commencement of the Court Meeting. Please note that any blue Forms of Proxy sent to this email address before 10:30 a.m. on 5 March 2021 may be discounted as invalid.

If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual.

Proxies submitted using the CREST Proxy Voting Service must be transmitted so as to be received (under CREST ID 7RA11) not later than 10:30 a.m. on 3 March 2021 or (as the case may be) no later than 48 hours prior to the time and date fixed for such adjourned meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned meeting. The time of receipt will be taken to be the time from which Hunters' Registrar is able to retrieve the message by enquiry to CREST.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online or electronically through CREST or by any other procedure described in this document) will not prevent you from remotely attending, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting or any adjournment thereof, in each case via the Virtual Meeting Platform as described in the opening pages of this document and the Virtual Meeting Guide, if you are entitled to and wish to do so.

The General Meeting

In addition to the Court Meeting, the General Meeting has been convened for 11:00 a.m. on 5 March 2021, or, if later, as soon thereafter as the Court Meeting has concluded or been adjourned, to enable all Hunters Shareholders to consider and, if thought fit, approve the Special Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast) to:

- (i) approve the Scheme;
- (ii) authorise the Hunters Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (iii) approve certain amendments to the Hunters Articles in connection with the Scheme, as described below; and
- (iv) subject to the Scheme becoming Effective, approve the re-registration of Hunters as a private limited company.

(c) Amendments to the Hunters Articles

The Special Resolution, if passed, will authorise certain amendments to the Hunters Articles required in connection with the Scheme. The proposed amendments will provide, amongst other things, that subject to the implementation of the Scheme, any Hunters Shares issued to any person (other than The Property Franchise Group or its nominee(s)) on or after the Scheme Record Time, including to a Hunters Share Plan Participant on the exercise of an option granted to them pursuant to any of the Hunters Share Plans, will be immediately transferred to The Property Franchise Group, for consideration equal to the consideration per Hunters Share to which such person would have been entitled had such Hunters Shares been Scheme Shares. This will avoid any person (other than The Property Franchise Group or its nominee(s)) being left with Hunters Shares after the cancellation of the listing of Hunters on AIM, which is expected to occur by 7:00 a.m. on the Business Day following the Effective Date. The proposed changes to the Hunters Articles are contained in the notice of the General Meeting set out in Appendix VII to this document.

At the General Meeting, voting will be by way of a poll and each Hunters Shareholder on Hunters' register of members at the Voting Record Time, will be entitled to vote on the Special Resolution and Hunters Shareholders will be entitled to cast one vote for each Hunters Share held.

Scheme Shareholders and Hunters Shareholders are strongly encouraged to appoint the Chairperson of the General Meeting as their proxy and provide voting instructions in advance of the General Meeting instead. If any other person is appointed as proxy, he or she will not be permitted to attend the relevant Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide.

You are strongly urged to complete and return the white Form of Proxy as soon as possible and, in any event, so as to be received by Hunters' Registrar by 11:00 a.m. on 3 March 2021 for the General Meeting.

If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST ID 7RA11) must be received not later than 11:00 a.m. on 5 March 2021 for the General Meeting.

(d) Entitlement to vote at the Meetings

Each Hunters Shareholder who is entered in Hunters' register of members at the Voting Record Time (expected to be 6:00 p.m. on 3 March 2021) will be entitled to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by proxy) on all resolutions to be put to the General Meeting and Court Meeting, respectively. If either Meeting is adjourned, only those Scheme Shareholders (in the case of the Court Meeting) or Hunters Shareholders (in the case of the General Meeting) on the register of members at 6:00 p.m. on the day which is two Business Days before the adjourned meeting will be entitled to attend (remotely, via the Virtual Meeting Platform) and vote (remotely, via the Virtual Meeting Platform, or by proxy). Each eligible Hunters Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote (in each case, remotely, via the Virtual Meeting Platform), instead of him or her. A proxy need not be a Hunters Shareholder.

The completion and return of the Forms of Proxy by post or email (or transmission of a proxy appointment or voting instruction online or electronically through CREST or by any other procedure described in this document) will not prevent you from remotely attending, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case via the Virtual Meeting Platform as described in the opening pages of this document and the Virtual Meeting Guide, if you are entitled to and wish to do so.

None of The Property Franchise Group or any subsidiary undertaking (as defined in the Companies Act) of The Property Franchise Group are entitled to vote at the Court Meeting in respect of any Scheme Shares which are registered in their names.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy please call Hunters' Registrar between 9:00 a.m. and 5:00 p.m. Monday to Friday (except public holidays) on 0121 585 1131 (from within the UK) or +44 121 585 1131 from outside the UK). Calls will be charged at your provider's standard rate and maybe included in any prepaid minutes for national calls. Calls to this number from overseas are likely to incur considerably higher costs from your provider. Please note that calls may be monitored or recorded, and Hunters' Registrar cannot provide legal, tax or financial advice or advice on the merits of the Acquisition, Hunters' Registrar is unable to provide any technical assistance in relation to the Virtual Meeting Platform.

If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

Further information on action to be taken is set out on pages 46 to 48 of this document.

(e) *Modifications or revisions to the Scheme*

The Scheme contains a provision for Hunters and The Property Franchise Group jointly to consent on behalf of all concerned to any modification of, addition or condition to the Scheme which the Court may approve or impose. The Court would be unlikely to approve or impose any modifications of, additions or conditions to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Hunters Directors, acting reasonably, is of such a nature or importance as to require the consent of Scheme Shareholders at a further meeting, the Hunters Directors will not take the necessary steps to enable the Scheme to become Effective unless and until such consent is obtained.

In accordance with the Takeover Code, modifications or revisions to the Scheme shall be made no later than the date which is 14 days prior to the date of the Meetings (or any later date to which such Meetings are adjourned). The consent of the Panel must be obtained if it is proposed to revise the Scheme (i) less than 14 days prior to the date of the Meetings (or any later date to which such meetings are adjourned) or (ii) following the Meetings. A switch to a takeover offer is not a modification or revision for the purposes of this paragraph.

(f) *Switching to implementation of the Acquisition by way of a Takeover Offer*

The Property Franchise Group has reserved the right to elect (as further described in Part 2 of Appendix I to this document) for the Acquisition to be implemented by way of a Takeover Offer with (where necessary) the consent of the Panel. In such event, the Acquisition will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation and subject to the consent of the Panel), an acceptance condition set at 90 per cent. of the shares to which such offer relates (or such lesser percentage, being more than 50 per cent. of the Hunters Shares carrying voting rights, as The Property Franchise Group may decide and/or the Panel may require). If The Property Franchise Group does elect to implement the Acquisition by way of a Takeover Offer, and if sufficient acceptances of such Takeover Offer are received and/or sufficient Hunters Shares are otherwise acquired, it is the intention of The Property Franchise Group to apply the provisions of sections 979 to 982 (inclusive) of the Companies Act to acquire compulsorily any outstanding Hunters Shares to which such offer relates.

The Panel will determine the offer timetable that will apply following any switch to a Takeover Offer to which it consents. The Property Franchise Group must announce a switch to a Takeover Offer through a Regulatory Information Service. Any such announcement must include:

- details of all changes in terms and conditions of the Acquisition;
- details of any material changes to other details of the Acquisition;
- an explanation of the offer timetable following the switch to a Takeover Offer; and
- an explanation of whether irrevocable undertakings or letters of intent will remain valid following the switch to a Takeover Offer.

(g) Sanction of the Scheme by the Court

If the resolutions are passed at the Meetings, and the other Conditions are satisfied or, where applicable, waived, the Scheme will also require the sanction of the Court. The Scheme Sanction Hearing is expected to be held in the first quarter of 2021.

As soon as possible following the Scheme Sanction Hearing, Hunters shall make an announcement through a Regulatory Information Service stating the decision of the Court and details of whether the Scheme will proceed or has lapsed.

All Scheme Shareholders are entitled to attend the Scheme Sanction Hearing in person (subject to observance of measures restricting social gatherings in light of the COVID-19 pandemic) or to be represented by Counsel to support or oppose the sanctioning of the Scheme.

The Property Franchise Group shall undertake to the Court to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

(h) Conditions to the Scheme and the Acquisition

The Conditions to the Scheme are set out in full in Appendix I to this document. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before the Long Stop Date. In summary, the Scheme is conditional, *inter alia*, upon the following events occurring on or before the Long Stop Date:

- (i) a resolution to approve the Scheme being passed by a majority in number of the Scheme Shareholders who are present and vote (and who are entitled to vote) at the Court Meeting (or any adjournment thereof), either remotely (via the Virtual Meeting Platform) or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted;
- (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting as set out in this document or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;
- (iii) all resolutions necessary to implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or any adjournment thereof;
- (iv) such General Meeting, or any adjournment of such meeting, being held on or before the 22nd day after the expected date of the General Meeting as set out in this document or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;
- (v) the Scheme being sanctioned (with or without modification, but subject to any such modification being on terms agreed by The Property Franchise Group and Hunters), by the Court;
- (vi) the Scheme Sanction Hearing being held on or before the 22nd day after the expected date of the Scheme Sanction Hearing as set out in this document or such later date (if any) as The Property Franchise Group and Hunters may agree and which the Court may allow;
- (vii) a copy of the Scheme Court Order being delivered to the Registrar of Companies;
- (viii) the passing at the TPFG General Meeting (or at any adjournment thereof) of the TPFG Resolution to authorise the allotment and issue of the New TPFG Shares to Hunters Shareholders (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);

- (ix) the London Stock Exchange having acknowledged to The Property Franchise Group or its agent (and such acknowledgement not having been withdrawn) that the New TPFG Shares will be admitted to trading on AIM;
- (x) in so far as the Acquisition satisfies the thresholds for notification and premerger authorisation under the United Kingdom Enterprise Act 2002, where the CMA has opened a CMA Merger Investigation either (i) confirmation having been received in writing from the CMA that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made; and
- (xi) the other Conditions not otherwise identified above (but set out in Appendix of this document) either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived.

The Condition that the Scheme must become unconditional and Effective on or before the Long Stop Date and the Conditions set out in sub-paragraphs (i), (iii), (v), (vii), (viii) and (ix) above are not capable of being waived, in whole or in part.

If any of the deadlines in Conditions in (ii), (iv) or (vi) are not met, The Property Franchise Group shall make an announcement by 8:00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed to extend the deadline.

5. Background to and reasons for Hunters Board recommendation

Information relating to the background to and reasons for the Hunters Directors' recommendation of the Acquisition is set out in paragraph 3 of Part I of this document and information relating to The Property Franchise Group's intentions as regards Hunters' management, employees, locations of business and strategic plans are set out in paragraph 6 of Part I of this document.

6. Irrevocable undertakings

Court Meeting and General Meeting

Information relating to the irrevocable undertakings which have been received by The Property Franchise Group in respect of Hunters Shares is set out in paragraph 9 of Part I of this document and in paragraph 10 of Appendix III to this document.

TPFG General Meeting

Information relating to the irrevocable undertakings which have been received by The Property Franchise Group in respect of TPFG Shares is set out in paragraph 9 of Part I of this document and in paragraph 10 of Appendix III to this document.

7. Dividends and dividend policy

The Property Franchise Group has followed a progressive dividend policy since its admission to AIM in December 2013. In line with many listed companies, it did not pay a final dividend for 2019. However, it was one of the first amongst listed property companies to reinstate dividends with an interim payment of 2.1 pence per TPFG Share in September 2020.

The Property Franchise Group expects to pay a second interim dividend, in lieu of a final dividend for FY 2020 of 6.6 pence. It is expected that this dividend will be paid during the period following the Announcement and before the Scheme becomes Effective. This dividend would be payable to existing TPFG Shareholders only.

8. The Hunters Directors and the effect of the Scheme on their interests

The Hunters Shares held by the Hunters Directors will be subject to the Scheme. Information on the Hunters Shares in which the Hunters Directors are interested is provided in paragraph 4.2 of Appendix III to this document. Particulars of service contracts and letters of

appointment of the Hunters Directors and the benefits payable under them are set out in paragraph 9 of Appendix III to this document and the benefits payable under the Hunters Share Plans are set out in paragraph 6 of Appendix III of this document.

Each of the Hunters Directors has irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of the Hunters Shares in which they are each interested. Further details of these irrevocable undertakings are set out in paragraph 9 of Part I of this document.

In accordance with the proposals being put to the participants under the Hunters Share Plans, the Hunters Board will exercise its absolute discretion under the terms of the relevant option to invite Harry Hill to exercise his option over 150,000 Hunters Shares in advance of and conditional on the Scheme being sanctioned by the Court.

Conditional upon the Scheme becoming Effective, each of Ed Jones, Glynis Frew and Kevin Hollinrake has agreed to surrender options over an aggregate of 700,000 Hunters Shares granted pursuant to the Hunters Property Senior Executive Share Option Scheme.

Following the Scheme becoming Effective, it is intended that Glynis Frew will be appointed as an Executive Director of The Property Franchise Group, Ed Jones as Company Secretary and Group Finance Director, a non-board position, of The Property Franchise Group and Dean Fielding as an independent Non-executive Director. Kevin Hollinrake and Harry Hill will resign as directors of Hunters upon the Scheme becoming Effective.

Otherwise than as set out in this document, the effect of the Scheme on the interests of the Hunters Directors does not differ from its effect on the like interest of any other Hunters Shareholder.

9. Financial effects of the Acquisition on Hunters Shareholders

Under the terms of the Acquisition, Scheme Shareholders will receive 43.2 pence in cash and 0.1655 New TPFG Shares in respect of each Scheme Share held.

The following table shows, for illustrative purposes only and on the bases and assumptions set out in the notes below, the financial effects on capital value and gross income for a holder of one Hunters Share if the Scheme becomes Effective. The table below compares the value of the number of New TPFG Shares and the amount of cash consideration to be paid under the Scheme in respect of one Hunters Share with the value of one Hunters Share as at 3 December 2020 (being the last Business Day prior to the commencement of the Offer Period). Column (A) is based upon the Closing Price of a TPFG Share on the Latest Practicable Date. Column (B) is based upon the Closing Price of a TPFG Share on 3 December 2020 (being the last Business Day prior to the commencement of the Offer Period). Column (C) is based on the Closing Price of a TPFG Share of 174p at the time of the approach by The Property Franchise Group to Hunters. In assessing the financial effects of the Acquisition, no account has been taken of any potential liability to taxation of a Hunters Shareholder.

(a) **Effect on the capital value of one Hunters Share**

	<i>Notes</i>	(A)	(B)	(C)
Cash consideration payable under the Acquisition		43.2p	43.2p	43.2p
Market value of 0.1655 New TPFG Shares		31.9p	29.9p	28.8p
Total value of the consideration under the Acquisition		75.1p	73.1p	72.0p
Market value of one Hunters Share		58.5p	58.5p	58.5p
Increase in capital value	1	16.6p	14.6p	13.5p
Representing an increase in capital value of approximately		28.4%	24.9%	23.1%

(b) **Effect on income**

	<i>Notes</i>	(A)	(B)	(C)
Gross income from re-investment of cash consideration	2	1.5p	1.5p	1.5p
Gross dividend income on 0.1655 New TPFG Shares	3	1.4p	1.4p	1.4p
Total gross income from consideration		2.9p	2.9p	2.9p
Gross dividend income on one Hunters Share	4	2.7p	2.7p	2.7p
Increase in gross income	5	0.2p	0.2p	0.2p
Representing an increase in gross income of approximately		8.4%	8.4%	8.4%

Notes

1. No account has been taken of any costs associated with the Acquisition or other potential effects on the Acquisition. In assessing the financial effects on the capital position of the Hunters Shareholders, no account has been taken of any potential liability to taxation of a Hunters Shareholder, or a beneficial owner of Hunters Shares. The attention of beneficial owners of Hunters Shares and Hunters Shareholders is drawn to Appendix II (United Kingdom Taxation) of this document. The tax implications of the financial effects of the Acquisition will depend on the individual circumstances of each beneficial owner of Hunters Shares and Hunters Shareholders. Beneficial owners of the Hunters Shares and Hunters Shareholders should consult their own tax advisers.
2. Assumes that the cash consideration of 43.2p per Hunters Share is re-invested and achieves a dividend yield of 3.44% per annum, being the yield reported by FTSE Russell for 2020 for the FTSE All-Share Index. This figure is an assumption for illustrative purposes only and there can be no guarantee of any particular investment returns. Investments can go up or down in value.
3. Being the aggregate dividend expected to be paid by TPFG in respect of the year ended 31 December 2020 on 0.1655 TPFG Shares, comprising 2.1p per TPFG Share announced on 8 September 2020 and 6.6p per TPFG Share announced on 28 January 2021. These figures are assumptions for illustrative purposes only and there can be no guarantee as to the level of future dividends on TPFG Shares.
4. Being the aggregate dividend expected to be paid by Hunters in respect of the year ended 31 December 2020, comprising 2.7p per Hunters Share announced on 28 January 2021.
5. No account has been taken of any costs associated with the Acquisition or other potential effects on the Acquisition. In assessing the financial effects on the income position of the Hunters Shareholders, no account has been taken of any potential liability to taxation of a Hunters Shareholder, or a beneficial owner of Hunters Shares. The attention of beneficial owners of Hunters Shares and Hunters Shareholders is drawn to Appendix II (United Kingdom Taxation) of this document. The tax implications of the financial effects of the Acquisition will depend on the individual circumstances of each beneficial owner of Hunters Shares and Hunters Shareholders. Beneficial owners of the Hunters Shares and Hunters Shareholders should consult their own tax advisers.

10. Hunters Share Plans

As at the Latest Practicable Date, options over 1,888,000 Hunters Shares remained outstanding under the Hunters Share Plans, of which options over 821,333 Hunters Shares will be valid and/or invited for exercise prior to the Effective Date. The balance of the options over 1,066,667 Hunters Shares granted under the Hunters Share Plans will be dealt with as follows:

- each of Ed Jones, Glynis Frew and Kevin Hollinrake has agreed to surrender options over an aggregate of 700,000 of Hunters Shares granted pursuant to the Hunters Property Senior Executive Share Option Scheme subject to and conditional upon the Scheme becoming Effective; and
- in respect of options over 366,667 Hunters Shares granted under the Hunters Property Senior Executive Share Option Scheme the Hunters Board will not exercise its discretion under the Hunters Property Senior Executive Share Option Scheme rules to invite the exercise of these options in respect of such number of Hunters Shares (on the basis that such options have not vested to that extent and will lapse as to 366,667 Hunters Shares subject to and conditional upon the Scheme becoming Effective).

Participants in the Hunters Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Hunters Share Plans and appropriate proposals will be made to such participants as soon as reasonably practicable after the date of this document.

11. Effect of the Acquisition on The Property Franchise Group

Following the Scheme becoming Effective, the earnings, assets and liabilities of the Hunters Group would be consolidated into the earnings, assets and liabilities of the TPF Group. The earnings, assets and liabilities of the TPF Group would thereby be increased. In addition, the liabilities of the TPF Group would also be increased to reflect the debt incurred in order to fund the Acquisition.

12. Financing the Acquisition

The cash consideration payable by The Property Franchise Group under the terms of the Acquisition will be approximately £14.5 million. The consideration payable by The Property Franchise Group under the terms of the Acquisition will be financed by a combination of: (a) a loan facility from Barclays Bank PLC under the TPF Facilities Agreement, the proceeds of which may be used towards, *inter alia*, financing the consideration paid or payable under the terms of the Acquisition, and (b) existing cash resources of The Property Franchise Group. The financing made available under the TPF Facilities Agreement is made available on a certain funds basis. Further details of the TPF Facilities Agreement are set out at paragraph 7.2.1 of Appendix III to this document.

13. Cash confirmation

Cenkos, acting as financial adviser to The Property Franchise Group, has confirmed that it is satisfied that sufficient resources are available to The Property Franchise Group to satisfy, in full, the aggregate cash consideration payable to Hunters Shareholders under the terms of the Scheme and any payments to be made under the terms of the Scheme in connection with options granted pursuant to the Hunters Share Plans.

14. TPF Shareholder approval

In order to allot and issue the New TPF Shares, The Property Franchise Group will be required to seek the approval of the TPF Shareholders at the TPF General Meeting.

The Property Franchise Group intends to send, on or around the date of this document, the TPF Circular to TPF Shareholders, including a notice convening the TPF General Meeting. The Acquisition is conditional on, amongst other things, the TPF Resolution being passed by the requisite majority of TPF Shareholders at the TPF General Meeting which will be convened to be held at 11:00 a.m. on 3 March 2021.

The TPF Directors consider the Acquisition to be in the best interests of The Property Franchise Group and the TPF Shareholders as a whole and intend unanimously to recommend that TPF Shareholders vote in favour of the TPF Resolution to be proposed at the TPF General Meeting, as they have irrevocably undertaken to do, in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 8,317,350 TPF Shares representing, in aggregate, approximately 32.2 per cent. of The Property Franchise Group's ordinary share capital in issue as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out at paragraph 10 of Appendix III to this document.

15. Offer-related arrangements

Confidentiality Agreements

The Property Franchise Group and Hunters entered into a confidentiality agreement dated 16 December 2020 pursuant to which:

- (a) The Property Franchise Group has undertaken, *inter alia*, to keep certain information relating (i) to the Acquisition; and (ii) to Hunters, confidential and not to disclose such information to third parties, except (a) to certain permitted disclosees for the purposes of evaluating the Acquisition or (b) if required by applicable laws or regulations. These confidentiality obligations will remain in force until completion of the Acquisition or, if the Acquisition fails to complete, two years from the date of the confidentiality agreement; and
- (b) Hunters has undertaken, *inter alia*, to keep certain information relating (i) to the Acquisition; and (ii) to The Property Franchise Group, confidential and not to disclose such information to third parties, except (a) to certain permitted disclosees for the purposes of evaluating the Acquisition or (b) if required by applicable laws or regulations. These confidentiality obligations will remain in force until completion of the Acquisition or, if the Acquisition fails to complete, two years from the date of the confidentiality agreement.

16. United Kingdom taxation

A summary of certain aspects of UK taxation, which is intended as a general guide only, is set out in Appendix II to this document. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you should consult your independent professional adviser.

17. Restricted Overseas Persons

(a) General

The availability of the Scheme and the consideration payable, including New TPFG Shares issued pursuant to the Acquisition to persons resident in, or citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each overseas Hunters Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The New TPFG Shares to be issued pursuant to the Acquisition have not been, and will not be, registered under the relevant securities laws of any jurisdiction other than the United Kingdom. Accordingly, subject to certain exceptions, the New TPFG Shares may not be offered, sold, resold or delivered directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which The Property Franchise Group regards as unduly onerous.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by the laws of those jurisdictions and therefore any persons who are subject to the laws of any jurisdiction other than the UK into whose possession this document comes should inform themselves about, and observe, any such applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Hunters Shares with respect to the Scheme at the Meetings, or to appoint another person as proxy to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. If any such persons not resident in the UK remain in any doubt,

they should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document and any accompanying documents have been prepared for the purpose of complying with the laws of England and Wales, the Market Abuse Regulation, the Takeover Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Due to restrictions on Restricted Overseas Persons holding New TPFPG Shares, The Property Franchise Group may, in its sole discretion, determine that either: (a) any New TPFPG Shares issued to a Restricted Overseas Person be sold, in which event the relevant New TPFPG Shares shall be issued to such holder and The Property Franchise Group shall appoint a person to procure that such shares be sold on behalf of such holder; or (b) that such New TPFPG Shares shall not be issued to such holder but shall instead be issued to a nominee for such holder who shall sell the New TPFPG Shares so issued.

NEITHER THIS DOCUMENT NOR ANY OF THE ACCOMPANYING DOCUMENTS ARE INTENDED TO, AND DO NOT, CONSTITUTE OR FORM ANY PART OF ANY OFFER OR INVITATION TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL OR OTHERWISE DISPOSE OF, ANY SECURITIES OR THE SOLICITATION OF ANY VOTE OR APPROVAL PURSUANT TO THE SCHEME OR OTHERWISE, IN ANY JURISDICTION IN WHICH SUCH OFFER, INVITATION OR SOLICITATION IS UNLAWFUL.

(b) *United States shareholders*

The Acquisition relates to the shares of an English company that is not registered under the US Securities Exchange Act of 1933 (the “**US Exchange Act**”) and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules under the US Exchange Act.

If in the future The Property Franchise Group exercises its right to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with all applicable laws and regulations. Such Takeover Offer would be made in the United States by The Property Franchise Group and no one else. In addition to any such Takeover Offer, The Property Franchise Group, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hunters outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States in compliance with applicable law, including the US Exchange Act.

The New TPFPG Shares to be issued pursuant to the Scheme have not been, nor will they be, registered under the US Securities Act or under any relevant securities laws of any state, territory or other jurisdiction of the United States. The New TPFPG Shares to be issued to Scheme Shareholders pursuant to the Scheme are expected to be issued in reliance on the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof.

Securities to be issued to Hunters Shareholders pursuant to the Scheme generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities in the Scheme (other than “affiliates” as described in the paragraph below) may resell them without restriction under the US Securities Act

Under the US securities laws, persons who are or will be deemed to be an “affiliate” (within the meaning of the Securities Act) of Hunters or The Property Franchise Group may not resell New TPFPG Shares received pursuant to the Scheme in the United States without registration

under the US Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Persons who believe they may be affiliates of Hunters or The Property Franchise Group should consult their own legal advisers prior to any sale of securities received in the Scheme.

For the purposes of qualifying for the exemption from the registration requirements of the Securities Act afforded by section 3(a)(10) thereof, Hunters will advise the Court that its sanctioning of the Scheme will be relied upon by The Property Franchise Group as an approval of the Scheme following a hearing on its fairness to Hunters Shareholders, at which hearing all Hunters Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Hunters Shareholders (subject to observance of measures restricting social gatherings in light of the COVID-19 pandemic).

18. Cancellation of admission to trading on AIM of Hunters Shares and re-registration as a private limited company

Prior to the Effective Date, Hunters will make an application to (i) the FCA for cancellation of the listing of Hunters Shares on AIM; and (ii) the London Stock Exchange for the cancellation of trading of Hunters Shares on AIM.

The last day of dealings in Hunters Shares on AIM is expected to be the Business Day immediately prior to the Effective Date. Hunters will make an application to the London Stock Exchange for suspension of dealings in Hunters Shares on AIM with effect by 7:30 a.m. on the Effective Date.

It is intended that the cancellation of admission of the Hunters Shares to trading on AIM will take effect at 7:00 a.m. on 22 March 2021. In addition, on the Effective Date, entitlements to Hunters Shares held within the CREST system will be cancelled and share certificates in respect of Scheme Shares will cease to be valid and should, if so requested by Hunters, be sent to Hunters for cancellation.

The Special Resolution to be proposed at the Hunters General Meeting also provides for the re-registration of Hunters as a private company conditional on the Scheme becoming effective.

19. The New TPFG Shares

The New TPFG Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form. The New TPFG Shares will be issued by The Property Franchise Group to Scheme Shareholders no later than 14 days after the Effective Date.

The New TPFG Shares to be issued to Scheme Shareholders pursuant to the Scheme will be issued as fully paid and will rank *pari passu* in all respects with existing TPFG Shares, including the right to receive notice of, and to attend and vote at, general meetings of The Property Franchise Group, and to receive dividends and other distributions declared, made or paid on TPFG Shares by reference to a record date falling on or after the Effective Date (but will not, for the avoidance of doubt, carry the right to receive any dividends and other distributions for which the record date is before the Effective Date), and the right to participate in the assets of The Property Franchise Group upon a winding up.

The New TPFG Shares will be freely transferable and there are no restrictions on transfer in the UK. Further details about the rights of the New TPFG Shares is set out in paragraph 11 of Appendix III to this document.

20. Admission of New TPFG Shares to trading on AIM

The existing TPFG Shares are admitted to trading on AIM. Prior to the Effective Date, The Property Franchise Group will make an application to the London Stock Exchange for the admission to trading of the New TPFG Shares on AIM. It is expected that the New TPFG Shares will be admitted to trading on AIM by 8:00 a.m. on the first Business Day after

the Effective Date and dealings for normal settlement in the New TPFG Shares will commence at or shortly after that time. No application is currently intended to be made for New TPFG Shares to be admitted to listing or dealing on any other exchange.

21. Settlement

Subject to the Scheme becoming Effective (and except as provided in paragraph 17 above in relation to certain Restricted Overseas Persons), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected within 14 days of the Effective Date in the manner set out below.

Save with the consent of the Panel or as provided by the terms of the Scheme or as set out in the letters containing the proposals made to participants in Hunters Share Plans in accordance with Rule 15 of the Takeover Code, settlement of consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which The Property Franchise Group may otherwise be, or claim to be, entitled against such Scheme Shareholder.

(a) Consideration where Hunters Shares are held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form (i.e., within CREST):

- (i) settlement of cash consideration will be effected through CREST by the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated shares in respect of the cash consideration due to him in accordance with the terms of the Scheme as soon as practicable and, in any event, no later than 14 days after the Effective Date; and
- (ii) the New TPFG Shares to which such Scheme Shareholder is entitled in accordance with the terms of the Scheme will be issued to such person in uncertificated form through CREST as soon as practicable and, in any event, no later than 14 days after the Effective Date. The Property Franchise Group shall procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such relevant Scheme Shareholder's entitlements to New TPFG Shares.

As from 6:00 p.m. on the day of the Sanction Hearing (expected to be 16 March 2021), each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares held within CREST will be removed from CREST in due course thereafter.

As at the close of trading on the last day of dealings in Hunters Shares prior to the Effective Date (the last day of dealings is expected to be 18 March 2021), there may be unsettled, open trades for the sale and purchase of Hunters Shares within CREST. The Scheme Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Scheme Share registered in the name of the relevant seller under that trade. Consequently, those Scheme Shares will be transferred under the Scheme and the seller will receive the appropriate cash consideration and New TPFG Shares in accordance with the terms of the Acquisition. However, CREST will automatically require the seller to settle that unsettled trade in Hunters Shares at the same exchange ratio provided by the terms of the Acquisition. Consequently, a seller within CREST will need to ensure that it holds or acquires the appropriate number of TPFG Shares necessary to satisfy that trade at the relevant time. This position will be confirmed in due course by way of a CREST bulletin to all CREST participants.

The Property Franchise Group reserves the right to settle all or any part of the entitlements referred to above to all or any Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time by cheque (in respect of the cash consideration) or in certificated form (in respect of the share consideration) in the manner referred to in paragraph (b) below if, for reasons outside its reasonable control, it is not able to effect settlement in uncertificated form in accordance with this paragraph (a).

In the case of Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time and who are entitled to payment in respect of fractions of New TPFPG Shares, The Property Franchise Group shall procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that The Property Franchise Group reserves the right to make payment of such sums by cheque as set out in paragraph (b) below if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this paragraph (a) above.

(b) Consideration where Hunters Shares are held in certificated form (that is, not in CREST)

Where at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form:

- (i) settlement of cash consideration due to such Scheme Shareholder pursuant to the Scheme will be effected by cheque as soon as practicable and, in any event, no later than 14 days after the Effective Date. All cheques will be in pounds sterling drawn on the branch of a UK clearing bank. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Payments will not be sent via CHAPS or BACS; and
- (ii) the New TPFPG Shares to which such Scheme Shareholder is entitled pursuant to the Scheme will be issued in certificated form as soon as practicable and, in any event, no later than 14 days after the Effective Date.

Definitive certificates for the New TPFPG Shares will be despatched by first class post (or by such other method as may be approved by the Panel) within 14 days of the Effective Date to the persons entitled thereto at their respective addresses appearing in the register of members of Hunters at the Scheme Record Time, or in the case of joint holders, at the address of that member that stands first in the register of members in respect of that holding.

Temporary documents of title will not be issued pending the despatch of new share certificates. Pending the issue of definitive certificates for the New TPFPG Shares, former Hunters Shareholders wishing to register transfers of New TPFPG Shares will be required to forward a completed transfer form to The Property Franchise Group's registrar, Computershare Investor Services plc ("**Computershare**") at The Pavillions, Bridgwater Road, Bristol BS99 6ZY, for registration. Please telephone the Computershare shareholder helpline between 8:30 a.m. and 5:00 p.m. Monday to Friday (excluding English and Welsh public holidays) on 0370 707 1027. Calls to the helpline from outside the UK will be charged at the applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

On the Effective Date, each certificate representing a holding of Hunters Shares in the name of someone other than The Property Franchise Group will cease to be valid. Following settlement of the share consideration to which Scheme Shareholders are entitled under the Scheme, such Scheme Shareholders will be bound on the request of Hunters either: (i) to destroy such certificate(s); or (ii) to return such certificate(s) to Hunters, or to any person appointed by Hunters, for cancellation.

In the case of Scheme Shareholders who hold Scheme Shares in certificated form at the Scheme Record Time and who are either entitled to payment in respect of fractions of New TPFPG Shares, The Property Franchise Group shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively.

None of Hunters, The Property Franchise Group or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of certificates or remittances sent in this way, and such certificates and remittances shall be sent at the risk of the person entitled thereto.

(c) Fractions of New TPFPG Shares will not be allotted or issued pursuant to the Scheme

Fractions of New TPFPG Shares will not be allotted or issued pursuant to the Scheme directly to Scheme Shareholders. Instead, the fractional entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New TPFPG Shares and all fractions of New

TPFG Shares will instead be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deductions of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) shall be paid to the relevant Scheme Shareholders who would otherwise have been entitled to such fractions in due proportions (rounded down to the nearest penny). However, individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will instead be retained for the benefit of the Enlarged Group.

For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of Hunters by references to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.

22. Action to be taken

The Scheme is subject to the satisfaction or waiver of the Conditions referred to in paragraph 4(h) above and set out in full in Appendix I to this document.

To become Effective, the Scheme requires, among other things, the approval of a majority in number of those Scheme Shareholders who are present and vote (and who are entitled to vote) either remotely (via the Virtual Meeting Platform) or by proxy at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares held by such Hunters Shareholders.

The Scheme will also require the approval of Hunters Shareholders of the Special Resolution at the General Meeting to be held at 11:00 a.m. on 5 March 2021 (or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned) as well as satisfaction or waiver of the other Conditions set out in Appendix I to this document. Notices of the Meetings are set out in Appendix VI and Appendix VII respectively to this document.

Given the current UK Government guidance and the general uncertainty on what additional and/or alternative measures may be put in place restricting social gatherings in view of the COVID-19 pandemic, Hunters Shareholders will not be permitted to attend the Meetings physically save for those Hunters Shareholders permitted by the Chairperson of the relevant Meeting to establish a quorum.

Please check you have received with this document:

- the Virtual Meeting Guide prepared by Lumi explaining how Hunters Shareholders and Scheme Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform;
- a blue Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in the UK in connection with the Forms of Proxy.

If you have not received these documents, please contact Hunters' Registrar on the helpline, details of which are set out on page 13 of this document.

Hunters Shareholders will receive a blue Form of Proxy for the Court Meeting and a white Form of Proxy for the General Meeting. Whether or not you plan to attend the Meetings remotely (via the Virtual Meeting Platform), please complete and sign the Forms of Proxy in accordance with the instructions printed on them as soon as possible and return them to Hunters' Registrar in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand to Hunters' Registrar, no later than:

- 10:30 a.m. on 3 March 2021 in the case of the blue Form of Proxy for the Court Meeting; and
- 11:00 a.m. on 3 March 2021 in the case of the white Form of Proxy for the General Meeting,

or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting. Form of Proxy should be received not later than 48 hours before the time fixed for the adjourned Meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned Meeting. A reply-paid envelope is enclosed for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

In the case of the General Meeting, unless the white Form of Proxy is lodged so as to be received by Hunters' Registrar by no later than 11:00 a.m. on 3 March 2021, it will be invalid. The completion and return of the Forms of Proxy will not prevent you from attending (remotely, via the Virtual Meeting Platform) and voting (remotely, via the Virtual Meeting Platform) at either the Court Meeting or the General Meeting, or any adjournment thereof should you wish to do so.

If you hold your Hunters Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes on the notices of each Meeting set out at the end of this document).

Forms of Proxy submitted via CREST (under CREST ID **7RA11**) must be sent as soon as possible, and in any event, so as to be received by not later than 10:30 a.m. on 3 March 2021 in the case of the Court Meeting and by Hunters' Registrar on 11:00 a.m. on 3 March 2021 in the case of the General Meeting or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned Meeting.

Remote Attendance at the Meetings

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to remotely attend and/or vote at the Meetings, you are therefore strongly advised to sign and return your blue Form of Proxy (by post) or transmit a proxy appointment and voting instruction (online or electronically through CREST, or in limited circumstances by email) for the Court Meeting as soon as possible and, in any event, no later than 10:30 a.m. on 3 March 2021 in the case of the Court Meeting and by 11:00 a.m. on 3 March 2021 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned Meeting.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online or electronically through CREST or by any other procedure described in this document) will not prevent you from remotely attending, submitting written questions and/or any objections (in the case of the Court Meeting) and voting at the Court Meeting or the General Meeting, in each case via the Virtual Meeting Platform as described in the opening page.

In order to become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders as at the Voting Record Time who are present and vote (and are entitled to vote) either remotely (via the Virtual Meeting Platform) or by proxy at the Court Meeting and who represent not less than 75 per cent. in value of all Scheme Shares held by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the Special Resolution by Hunters Shareholders at the General Meeting. The Special Resolution requires the approval of Hunters Shareholders (either remotely (via the Virtual Meeting Platform) or by proxy) representing at least 75 per cent. of the votes cast at the General Meeting.

Under the Companies Act, the Scheme is also subject to the sanction of the Court at the Scheme Sanction Hearing. The Property Franchise Group and its subsidiary undertakings, which currently do not hold any Hunters Shares, will not exercise voting rights at the Court Meeting or the General Meeting if it becomes a holder of any such shares at the Voting Record Time.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who did not vote or who voted against it at either one or both of the Meetings.

If you have any questions relating to completion and return of the Forms of Proxy, or if you have acquired your Hunters Shares after the date of this document and do not have personalised Forms of Proxy, please contact Hunters' Registrar, on 0121 585 1131 (calls are charged at your providers standard rate and maybe included in any prepaid minutes for national calls) or +44 121 585 1131 (if calling from outside the UK, noting calls to this number from overseas are likely to incur considerably higher costs from your provider) between 9:00 a.m. and 5:00 p.m. Monday to Friday (excluding bank and public holidays). Please note that calls to these numbers may be monitored or recorded, and no advice on the Proposals can be given. Hunters' Registrar is unable to provide any technical assistance in relation to the Virtual Meeting Platform.

If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

Restricted Overseas Persons should refer to paragraph 17 above. Details relating to settlement are included in paragraph 21 above.

Notices convening the Court Meeting and the General Meeting are set out respectively in Appendices VI and VII to this document.

23. Further information

Your attention is drawn to the full text of the terms of the Scheme as set out in full in Part III of this document.

Your attention is also drawn to the further information contained in this document, which are deemed to form part of this explanatory statement: the Conditions to the implementation of the Acquisition in Appendix I, the information on UK taxation in Appendix II; the additional information set out in Appendix III to this document; and the notices of the Court Meeting and the General Meeting set out in Appendices VI and VII to this document.

Yours faithfully

SPARK Advisory Partners Limited

PART III

THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

COMPANIES COURT (ChD)

CR – 2021 – 000026

IN THE MATTER OF HUNTERS PROPERTY PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

BETWEEN

HUNTERS PROPERTY PLC

and

THE HOLDERS OF SCHEME SHARES

(as defined below)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“Acquisition”	the proposed acquisition of the entire issued and to be issued share capital of the Company pursuant to this Scheme;
“Business Day”	any day (other than a Saturday, Sunday, public or bank holiday) on which banks generally are open for business in London (other than solely for settlement and trading in Euro);
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is not in CREST);
“Companies Act”	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
“Company”	Hunters Property plc, a public limited company incorporated in England and Wales with company number 09448465 with its registered office at Apollo House, Eboracum Way, York YO31 7RE;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act and to be held at the offices of the Company at Apollo House, Eboracum

	Way, York YO31 7RE on 5 March 2021 at 10:30 a.m. for the purposes of considering and, if thought fit, approving (with or without modification) this Scheme, notice of which is set out in Appendix VI to the Scheme Document, including any adjournment thereof;
“CREST”	the system operated by Euroclear for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
“Effective”	the Scheme becoming effective pursuant to its terms;
“Effective Date”	the date on which the Scheme becomes Effective in accordance with clause 7 of this Scheme;
“Euroclear”	Euroclear UK & Ireland Limited incorporated in England and Wales, with registered number 287873;
“Excluded Shares”	means: <ul style="list-style-type: none"> (i) any Hunters Shares registered in the name of (or in the name of a nominee for) The Property Franchise Group or any subsidiary undertaking (as defined in the Companies Act) of The Property Franchise Group; or (ii) any Hunters Shares held in treasury (unless such Hunters Shares cease to be so held);
“holder”	a registered holder and includes any person entitled by transmission;
“Hunters Group”	the Company and its subsidiary undertakings and, where the context so permits, each of them;
“Hunters Share Plans”	together the Hunters Property Senior Executive Share Option Scheme (dated 18 December 2015, as amended), the Hunters Property Employee Share Option Scheme (dated 18 December 2015), options over Hunters Shares granted in 2015 replacing options originally granted in 2013 and 2015 over shares in Hunters Property Group Limited and a standalone option granted by Hunters evidenced by a share option agreement dated 28 January 2016;
“Hunters Shares”	ordinary shares of 4 pence each in the capital of the Company;
“Long Stop Date”	11:59 p.m. on 28 May 2021 or such later date, if any, as The Property Franchise Group and the Company may agree, and if required the Court and the Panel may allow;
“New TPFG Shares”	the TPFG Shares to be issued fully paid to Scheme Shareholders pursuant to the Scheme;
“Panel”	The Panel on Takeovers and Mergers;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Scheme”	this scheme of arrangement under Part 26 of the Companies Act between the Company and the Scheme Shareholders in its present form, subject to any modification, addition, or condition approved or imposed by the Court and agreed to by the Company and The Property Franchise Group;
“Scheme Sanction Hearing”	the hearing of the Court to sanction this Scheme;
“Scheme Court Order”	the order of the Court sanctioning the Scheme;

“Scheme Document”	the document dated 10 February 2021 sent by Hunters to the holders of Hunters Shares and persons with information rights of which this Scheme forms part;
“Scheme Record Time”	6:00 p.m. on the Business Day before the Effective Date;
“Scheme Shareholders”	registered holders of Scheme Shares from time to time;
“Scheme Shares”	the Hunters Shares: <ul style="list-style-type: none"> (i) in issue at 6:00 p.m. on the date of the Scheme Document; (ii) (if any) issued after 6:00 p.m. on the date of the Scheme Document and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and at or before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such shares are, or shall have agreed in writing to be, bound by the Scheme in each case, excluding any Excluded Shares;
“subsidiary” and “subsidiary undertaking”	have the meanings given thereto in the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers;
“The Property Franchise Group”	The Property Franchise Group plc, a public limited company incorporated in England and Wales with company number 08721920 whose registered office is at 2 St Stephen’s Court, St Stephen’s Road, Bournemouth, Dorset BH2 6LA;
“TPFG Group”	The Property Franchise Group and its subsidiary undertakings and, where the context so permits, each of them;
“TPFG Shares”	ordinary shares of 1 pence each in the capital of The Property Franchise Group;
“uncertificated” or “in uncertificated form”	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
“Voting Record Time”	6:00 p.m. on the day which is two Business Days immediately before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two Business Days immediately before the date fixed for the adjourned meeting.

- (B) References to clauses are to clauses of this Scheme and references to time are to London time.
- (C) Where the context so admits or requires, the plural includes the singular and vice versa.
- (D) The issued share capital of the Company at 6:00 p.m. on the Latest Practicable Date is £1,312,583.52 divided into 32,814,588 ordinary shares of 4 pence each, all of which are credited as fully paid and none of which are held in treasury.
- (E) Options to acquire up to 1,888,000 Hunters Shares pursuant to the Hunters Share Plans are outstanding and remain unexercised at the date of the Scheme Document.
- (F) The Property Franchise Group was incorporated on 7 October 2013. The issued share capital of The Property Franchise Group at 6:00 p.m. on the Latest Practicable Date is £258,227.50 divided into 25,822,750 ordinary shares of 1 pence each, all of which are credited as fully paid and none of which are held in treasury.

- (G) The Property Franchise Group has agreed to appear by Counsel at the Scheme Sanction Hearing and to consent thereto and to undertake to the Court to be bound thereby and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to the Scheme.
- (H) As at the date of the Scheme Document, no member of the TPF Group holds any Hunters Shares.

THE SCHEME

1. Transfer of the Scheme Shares

- 1.1 Upon and with effect from the Effective Date but subject to clause 2.1, The Property Franchise Group and/or its nominee(s) shall acquire all the Scheme Shares with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and other interests, and together with all rights at the Effective Date or thereafter attached thereto, including (without limitation) voting rights and the right to receive and retain all dividends and other distributions or return of capital (if any) declared, made or paid or any other return of capital on or after the Effective Date.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to The Property Franchise Group and/or its nominee(s) by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfers any person may be appointed by The Property Franchise Group as attorney and/or agent and/or otherwise and is hereby authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Scheme Shareholders to execute and deliver as transferor an instrument of transfer of, or give any instructions to transfer, or to procure the transfer by means of CREST of, any Scheme Shares and every instrument or instruction of transfer so executed or instruction so given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred. Such instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to The Property Franchise Group and/or its nominee(s), together with the legal interest in such Scheme Shares, pursuant to such instruction or instrument or transfer, or by means of CREST.
- 1.3 Pending the transfer of Scheme Shares pursuant to clause 1.2 and the registration of The Property Franchise Group and/or its nominee(s) as the holder of any Scheme Shares to be transferred pursuant to the Scheme, each Scheme Shareholder irrevocably appoints The Property Franchise Group and/or its nominee(s) as their attorney, or failing that their agent, to exercise on their behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares, to receive any distribution or other benefit accruing or payable in respect of the Scheme Shares, to sign any consent to short notice of a general or separate class meeting and on their behalf to execute a form of proxy in respect of such shares appointing any person nominated by The Property Franchise Group to attend general and separate class meetings of the Company and authorises the Company to send to The Property Franchise Group any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of the Company and the registered holders of such Scheme Shares shall exercise all rights attaching thereto in accordance with the directions of The Property Franchise Group but not otherwise.

2. Consideration for the transfer of Scheme Shares

- 2.1 Subject to the remaining provisions of this clause 2, in consideration for the transfer of the Scheme Shares to The Property Franchise Group and/or its nominee(s) as provided in clause 1, The Property Franchise Group shall:
- 2.1.1 arrange to pay to or for the account of the Scheme Shareholders (as appears on the register of members of the Company at the Scheme Record Time) 43.2 pence in cash for every Scheme Share then held by such person; and
- 2.1.2 arrange to allot and issue to or for the account of the Scheme Shareholders (as appears on the register of members of the Company at the Scheme Record Time) 0.1655 New TPFG Shares in respect of every Scheme Share then held by such person;
- provided that, in each case, if any dividend (other than the Special Dividend or any dividend declared before the Effective Date by any wholly-owned subsidiary of the Company to the Company or any of the Company's wholly-owned subsidiaries) or other distribution or return of capital is proposed, declared, made, paid or becomes payable by the Company on or before the Effective Date, The Property Franchise Group shall reduce the consideration payable for each Scheme Share under the Scheme by the amount per Hunters Share of such dividend,

distribution or return of capital (and the exercise of such right shall not be regarded as constituting any revision or variation of the terms of the Scheme). The cash element of the consideration payable for each Scheme Share shall be reduced first.

- 2.2 If The Property Franchise Group exercises the right referred to in clause 2.1 to reduce the consideration per Scheme Share payable by The Property Franchise Group by all or part of the amount of the dividend (or other distribution or return of capital):
- 2.2.1 the Scheme Shareholders (appearing on the register of members of the Company, at the relevant record time as determined by the Hunters Directors) shall be entitled to receive and retain that dividend (or other distribution or return of capital) in respect of the Scheme Shares they hold;
- 2.2.2 any reference in this Scheme to the consideration payable under the Scheme shall be deemed to be a reference to the price per Scheme Share as so reduced (and the cash element of the consideration payable for each Scheme Share shall be reduced first); and
- 2.2.3 the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of this Scheme.
- 2.3 Where a Scheme Share is or will be acquired by The Property Franchise Group pursuant to the Scheme on a basis which entitles The Property Franchise Group to receive and retain any dividend and/or distribution and/or return of capital proposed, declared, made, paid or payable by the Company on or before the Effective Date or such dividend and/or distribution and/or return of capital is cancelled in full prior to payment, the consideration payable for each Scheme Share shall not be subject to change in accordance with clause 2.1 and 2.2.
- 2.4 No amounts of cash of less than one pence shall be paid to any Scheme Shareholder pursuant to the Scheme and the aggregate amount of cash to which a Scheme Shareholder shall be entitled under clause 2.1 shall be rounded down to the nearest penny.
- 2.5 No fractions of New TPFG Shares shall be allotted or issued to any Scheme Shareholders pursuant to the Scheme and, instead, the aggregate number of New TPFG Shares to which a Scheme Shareholder shall be entitled under clause 2.1 shall be rounded down to the nearest whole number of New TPFG Shares. All fractions to which, but for this clause 2.5, Scheme Shareholders would have become entitled shall be aggregated and allotted and issued to the person appointed by The Property Franchise Group as nominee for such Scheme Shareholders and sold in the market as soon as practicable after the Effective Date. The net proceeds of sale (after deduction of broking fees and other sales costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) shall be paid in due proportions in due course to such Scheme Shareholders who would otherwise have been entitled to such fractions provided that individual entitlements to amounts of less than £5.00 will not be paid to holders of Scheme Shares but will instead be retained for the benefit of The Property Franchise Group.
- 2.6 For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- 2.7 The person appointed by The Property Franchise Group in accordance with clause 2.5 shall be authorised to execute and deliver as transferor a form of transfer or other instrument of transfer and to give such instructions and to do all other things which he or she may consider necessary, expedient or desirable in connection with such sale. In the absence of bad faith or wilful default, none of the Company, The Property Franchise Group nor the persons so appointed shall have any liability for any loss or damage arising as a result of the determination made, or the timing or terms of any sale, pursuant to clause 2.5.
- 2.8 The New TPFG Shares to be issued pursuant to clause 2.1 shall be issued, credited as fully paid, and shall rank equally in all respects with all other fully paid ordinary shares of The Property Franchise Group in issue on the Effective Date and shall be entitled to all dividends and other distributions declared, paid or made by The Property Franchise Group by reference to a record date on or after the Effective Date.

3. Overseas Shareholders

- 3.1 The provisions of clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom or whom The Property Franchise Group or Hunters believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom or to whom The Property Franchise Group is advised that the allotment and/or issue of New TPFPG Shares pursuant to clause 2 would or may infringe the laws of such jurisdiction or would or may require The Property Franchise Group to comply with any governmental or other consent or any registration, filing or other formality with which The Property Franchise Group is unable to comply or compliance with which The Property Franchise Group regards as unduly onerous, The Property Franchise Group may, in its sole discretion, either:
- 3.1.1 determine that such New TPFPG Shares shall be sold, in which event the New TPFPG Shares shall be issued to such holder and The Property Franchise Group shall appoint a person to act pursuant to this clause 3.1.1 and such person shall be authorised on behalf of such holder to procure that any New TPFPG Shares in respect of which The Property Franchise Group has made such determination shall, as soon as practicable following the Effective Date, be sold in the market; or
- 3.1.2 determine that such New TPFPG Shares shall not be allotted or issued to such holder but shall instead be issued to a nominee for such holder appointed by The Property Franchise Group on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New TPFPG Shares so issued.
- 3.2 Any sale under clause 3.1 shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, together with any tax or any foreign exchange conversion fees payable on the proceeds of sale) shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of clause 4.1.
- 3.3 To give effect to any sale under clause 3.1, the person appointed by The Property Franchise Group in accordance with clause 3.1.1 shall be authorised as attorney and/or agent on behalf of the holder concerned, and the nominee appointed by The Property Franchise Group in accordance with clause 3.1.2 shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary, expedient or desirable in connection with such sale. In the absence of bad faith or wilful default, none of the Company, The Property Franchise Group nor the persons or nominee so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

4. Settlement

- 4.1 As soon as practicable after the Effective Date and, in any event, not more than 14 days thereafter, The Property Franchise Group shall:
- 4.1.1 pay such cash consideration which it is required to pay to holders of the Scheme Shares pursuant to the Scheme and:
- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure that the Registrar is instructed to despatch to the persons entitled thereto in accordance with clause 4.2 of cheques for the sums payable to them in accordance with clause 2.1;
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable in accordance with clause 2.1, provided that The Property Franchise Group reserves the right to make payment of the said sums by cheque as set out in clause 4.1.1(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.1.1(b);

- 4.1.2 allot and issue the New TPFG Shares which it is required to allot and issue to holders of Scheme Shares pursuant to the Scheme and subject to clause 4.13 and 4.1.4:
- (a) in the case of Scheme Shares which at the Scheme Record Time were in certificated form, procure the despatch of certificates for such New TPFG Shares to the persons entitled thereto in accordance with clause 4.2; and
 - (b) in the case of Scheme Shares which at the Scheme Record Time were in uncertificated form, procure that (i) the New TPFG Shares are admitted to CREST, and (ii) Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder with such holder's entitlement to such New TPFG Shares, provided that The Property Franchise Group reserves the right to settle all or part of such consideration in the manner set out in clause 4.1.2(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.1.2(b);
- 4.1.3 in the case of New TPFG Shares sold pursuant to clause 3.1 which were allotted and issued in respect of Scheme Shares which at the Scheme Record Time were in certificated form, procure the despatch to the persons entitled thereto in accordance with clause 4.2 of cheques for the sums payable to them respectively in accordance with clause 3; and
- 4.1.4 in the case of New TPFG Shares sold pursuant to clause 3.1 which were allotted and issued in respect of Scheme Shares which at the Scheme Record Time were in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively in accordance with clause 3, provided that The Property Franchise Group reserves the right to make payment of the said sums by cheque as set out in clause 4.1.1(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 4.1.4.
- 4.2 All deliveries of share certificates and cheques required to be made pursuant to this Scheme shall be effected by duly posting the same by first-class post in prepaid envelopes or by international standard post if overseas (or by such other method as may be approved by the Panel) addressed to the persons respectively entitled thereto at their respective addresses as appearing in the register of members of the Company or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register at the Scheme Record Time.
- 4.3 Neither The Property Franchise Group nor the Company nor any person or nominee appointed by The Property Franchise Group in accordance with clause 3.1 nor their respective agents shall be responsible for any loss or delay in the despatch or delivery of the share certificates or cheques posted in accordance with clause 4.2 which shall be posted at the risk of the person(s) entitled thereto.
- 4.4 All cheques shall be in pounds sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the moneys represented thereby (except that, in the case of joint holders, The Property Franchise Group reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company at the Scheme Record Time in respect of such joint holding) and the encashment of any such cheque or the creation of any such CREST assured payment obligation as is referred to in clauses 4.1.1 or 4.1.4 shall be a complete discharge to The Property Franchise Group for the moneys represented thereby.
- 4.5 In the case of Scheme Shareholders that have not encashed cheques within six months from the Effective Date, the consideration due to such Scheme Shareholders under the Scheme in respect of such cheques will be held by the Company's registrar for a period of 12 years from the Effective Date, in a separate UK bank account established solely for that purpose, and such Scheme Shareholders may claim the consideration due to them by written notice to the Company's registrar at any time during the period of 12 years from the Effective Date.

- 4.6 In the case of any Scheme Shares issued or transferred under the Hunters Share Plans after the Court Hearing and before the Scheme Record Time, The Property Franchise Group may satisfy the cash consideration due to the relevant Scheme Shareholders under clause 2 by the payment to Hunters of the aggregate consideration no later than 14 days after the Effective Date and Hunters will procure that any such sums paid to it are paid to the relevant Scheme Shareholders through the payroll of the relevant Scheme Shareholders' employing company as soon as practicable and subject to all deductions or withholdings required by law, if any, (including applicable income tax and social security contributions).
- 4.7 The provisions of this clause 4 shall be subject to any prohibition or condition imposed by law.

5. Share certificates and cancellations

With effect from and including the Effective Date:

- 5.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company or The Property Franchise Group to deliver up the same to the Company for cancellation, or as it may direct, to destroy the same;
- 5.2 in respect of those holders of Scheme Shares holding their shares in uncertificated form, Euroclear shall be instructed to cancel the entitlements to such Scheme Shares in uncertificated form; and
- 5.3 appropriate entries shall be made in the register of members of the Company to reflect the transfer of the Scheme Shares with effect from the Effective Date.

6. Mandates

All mandates to the Company in force at the Scheme Record Time relating to Scheme Shares shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates to The Property Franchise Group in relation to the New TPFG Shares issued in respect thereof.

7. The Effective Date

- 7.1 The Scheme shall become Effective in accordance with its terms as soon as the Scheme Court Order has been delivered to the Registrar of Companies for registration.
- 7.2 Unless the Scheme shall become Effective on or before the Long Stop Date or such later date, if any, as The Property Franchise Group and the Company may agree, and if the Scheme shall never become Effective.

8. Modification

- 8.1 The Property Franchise Group and the Company may jointly consent on behalf of all concerned to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose.

9. Governing Law

- 9.1 The Scheme and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with English law. The rules of the City Code on Takeovers and Mergers will, so far as they are appropriate, apply to this Scheme.
- 9.2 The courts of England shall have jurisdiction in relation to any dispute or claim arising out of or in connection with the Scheme.

Dated: 10 February 2021

APPENDIX I

CONDITIONS TO THE IMPLEMENTATION, AND CERTAIN FURTHER TERMS, OF THE SCHEME AND THE ACQUISITION

Part 1 The Conditions

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, by not later than the Long Stop Date or such later date (if any) as The Property Franchise Group and Hunters may, with the consent of the Panel, agree and (if required) the Court may allow.
2. The Scheme will be conditional upon:
 - (a) the approval of the Scheme by a majority in number of Hunters Shareholders who are present and vote (and who are entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, representing not less than 75 per cent. in value of the Hunters Shares in issue at the Voting Record Time voted by such Hunters Shareholders;
 - (b) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting set out in this document (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow);
 - (c) all resolutions necessary to implement the Scheme being duly passed by the requisite majority or majorities at the Hunters General Meeting or at any adjournment of that meeting;
 - (d) the Hunters General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the Hunters General Meeting set out in this document (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow);
 - (e) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to The Property Franchise Group and Hunters) and an office copy of the Court Order being delivered for registration to the Registrar of Companies;
 - (f) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing set out in this document (or such later date, if any, as may be agreed by The Property Franchise Group and Hunters in writing and the Court may allow).
3. In addition, subject to Part 2 of this Appendix I and to the requirements of the Panel and in accordance with the Takeover Code, the Acquisition will also be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will only be taken on the satisfaction or, where relevant, waiver of the following Conditions (as amended if appropriate):
 - (a) the passing at the TPFG General Meeting (or at any adjournment thereof) of the TPFG Resolution to authorise the allotment and issue of the New TPFG Shares to Hunters Shareholders (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);
 - (b) the London Stock Exchange having acknowledged to The Property Franchise Group or its agent (and such acknowledgment not having been withdrawn) that the New TPFG Shares will be admitted to trading on AIM;
 - (c) in so far as the Acquisition satisfies the thresholds for notification and premerger authorisation under the United Kingdom Enterprise Act 2002, where the CMA has opened a CMA Merger Investigation either (i) confirmation having been received in writing from the CMA that the CMA does not intend to make a CMA Phase 2 Reference

in connection with the Acquisition or any matters arising therefrom; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made;

- (d) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to be published practice and there not continuing to be outstanding any statute, regulation, decision or order or having taken any other action or step which would or might reasonably be expected to:
- (i) make the Acquisition, its implementation or the acquisition or the proposed acquisition by The Property Franchise Group or any member of the Wider TPF Group of any shares or other securities in, or control or management of, Hunters or any member of the Wider Hunters Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict, delay or otherwise materially adversely interfere with the same or impose additional conditions or obligations with respect to the Acquisition (or its implementation) or such acquisition, or otherwise impede, challenge or interfere with the Acquisition (or its implementation) or such acquisition, or require material adverse amendment to the terms of the Acquisition or the acquisition or proposed acquisition of any Hunters Shares or the acquisition of control or management of Hunters or any member of the Wider Hunters Group by The Property Franchise Group or any member of the Wider TPF Group;
 - (ii) materially limit or delay the ability of any member of the Wider TPF Group or any member of the Wider Hunters Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Hunters Group or any member of the Wider TPF Group, as the case may be, taken as a whole;
 - (iii) require, prevent or materially delay any divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider TPF Group of any shares or other securities in Hunters or any member of the Wider Hunters Group, in any case to an extent which is or reasonably likely to be material in the context of the Acquisition, or the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;
 - (iv) require, prevent or materially delay any divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider TPF Group or by any member of the Wider Hunters Group of all or any part of their respective businesses, assets or properties or limit the ability of any of them to conduct all or any part of their respective businesses or to own or control any of their respective assets or properties or any part thereof, in any such case to an extent which is or is reasonably likely to be material in the context of the Acquisition, the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;
 - (v) require (save as pursuant to sections 974 to 991 of the Companies Act and the implementation of the Acquisition), any member of the Wider TPF Group or of the Wider Hunters Group to subscribe for or acquire, or to offer to subscribe for or acquire, any shares or other securities (or the equivalent) or interest in any member of the Wider Hunters Group or the Wider TPF Group;
 - (vi) materially limit the ability of any member of the Wider TPF Group or of the Wider Hunters Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider TPF Group and/or of the Wider Hunters Group in each case in a manner which is material in the context of the Acquisition, or as the case may be, in the context of the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group;

- (vii) result in any member of the Wider TPF Group or the Wider Hunters Group ceasing to be able to carry on business under any name under which it presently does so (in any case to an extent which is material in the context of the Acquisition, the Wider TPF Group or the Wider Hunters Group, as the case may be, taken as a whole, or in the context of the Enlarged Group); or
- (viii) otherwise adversely affect the business, assets, profits, financial or trading position or prospects of any member of the Wider TPF Group or of any member of the Wider Hunters Group to an extent which is material in the context of the Wider TPF Group or the Wider Hunters Group, as the case may be, in either case, taken as a whole;

and all applicable waiting and other time periods during which any such Third Party could take, institute, implement or threaten such actions, proceedings, suit, investigation, enquiry or reference or take any other step under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as the case may be);

- (e) all material notifications, filings and/or applications which are necessary having been made, all applicable waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or terminated (as appropriate) and all material statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Hunters or any other member of the Wider Hunters Group by any member of the Wider TPF Group or the carrying on by any member of the Wider Hunters Group of its business;
- (f) all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Acquisition (or its implementation) or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Hunters or any other member of the Wider Hunters Group by The Property Franchise Group or any member of the Wider TPF Group or the carrying on by any member of the Wider Hunters Group of its business having been obtained, in terms and in a form reasonably satisfactory to The Property Franchise Group from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider TPF Group or any member of the Wider Hunters Group has entered into contractual arrangements and such Authorisations together with all Authorisations necessary for any member of the Wider Hunters Group to carry on its business remaining in full force and effect, and there being no notice or other intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same having been made in connection with the Acquisition or any other matter directly, or indirectly, arising from the Acquisition (or its implementation), in each case where the absence of such Authorisation would have a material adverse effect on the Wider Hunters Group or the Wider TPF Group taken as a whole and all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with;
- (g) save as Disclosed there being no provision of any arrangement, agreement, lease, licence, permit, franchise or other instrument to which any member of the Wider Hunters Group is a party, or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any circumstance, which, in each case as a consequence of the Acquisition (or its implementation) or the acquisition or proposed acquisition by The Property Franchise Group or any member of the Wider TPF Group or otherwise of any shares or other securities (or the equivalent) in, or control or management of, Hunters or any other member of the Wider Hunters Group, could reasonably be expected to result in, in any case to an extent which is or would be material in the context of the Wider Hunters Group taken as a whole:
 - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Hunters Group being or becoming repayable or being capable of being declared repayable

immediately or prior to their or its stated maturity or the ability of any member of the Wider Hunters Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;

- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Hunters Group or any such mortgage, charge or other security interest (wherever and whenever created, arising or having arisen) becoming enforceable;
- (iii) any such arrangement, agreement, lease, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Hunters Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or arising thereunder or any onerous obligation or liability arising thereunder;
- (iv) any asset or interest of any member of the Wider Hunters Group or any asset the use of which is enjoyed by any member of the Wider Hunters Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Hunters Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Hunters Group otherwise than in the ordinary course of business;
- (v) any member of the Wider Hunters Group ceasing to be able to carry on business under any name under which it presently does so;
- (vi) the creation or assumption of any liabilities (actual or contingent) by any member of the Wider Hunters Group other than trade creditors in the ordinary course of business;
- (vii) the rights, liabilities, obligations or interests of any member of the Wider Hunters Group under any such arrangement, agreement, lease, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any agreements or arrangements relating to any such interests or business) being terminated, adversely modified or affected;
- (viii) the financial or trading position or the prospects or the value or the profits of Hunters or of any member of the Wider Hunters Group being prejudiced or adversely affected in any manner;
- (ix) the creation of any liability (actual or contingent) by any member of the Wider Hunters Group; or
- (x) any member of the Wider Hunters Group being required to acquire or repay any shares in and/or indebtedness of any member of the Wider Hunters Group owned by or owed to any third party;

and no event having occurred which, under any provision of any such arrangement, agreement, lease, license, permit, franchise or other instrument to which any member of the Wider Hunters Group is a party, or by or to which any such member or any of its assets may be found entitled or subject, could result in any of the events or circumstances which are referred to in paragraphs (i) to (x) of this Condition 3(g) in any case to an extent which is or would be material in the context of the Wider Hunters Group as a whole;

(h) save as Disclosed no member of the Wider Hunters Group having since 31 December 2019:

- (i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares or securities of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Hunters and its wholly-owned subsidiaries or between such wholly-owned subsidiaries or pursuant to the Hunters Share Plans);

- (ii) purchased, redeemed, repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above made or authorised any other change to any part of its share capital other than pursuant to the implementation of the Acquisition;
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution, whether payable in cash or otherwise (save for the Special Interim Dividend) declared before the Effective Date by any wholly-owned subsidiary of Hunters to Hunters or any of their respective wholly-owned subsidiaries;
- (iv) save for transactions between Hunters and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to make, propose or authorise any change in its loan capital or issued or authorised the issue of any debentures or incurred or increased any indebtedness or contingent liability;
- (v) save for transactions between Hunters and its wholly-owned subsidiaries or between such wholly-owned subsidiaries merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any material assets or any right, title or interest in any material assets (including shares in any undertaking and trade investments) or authorised, proposed or announced the same, in each case which is material in the context of the Wider Hunters Group taken as a whole;
- (vi) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to, any debentures or, other than trade credit incurred in the ordinary course of business, incurred or increased any indebtedness or liability (actual or contingent) except as between Hunters and any of its wholly owned subsidiaries or between such wholly-owned subsidiaries, which in any case is material in the context of the Wider Hunters Group taken as a whole;
- (vii) entered into, varied, authorised, proposed or announced an intention to enter into or vary any contract, agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (A) is of a long term, onerous or unusual nature or magnitude or which involves or is or is reasonably likely to involve an obligation of such a nature or magnitude;
 - (B) restricts or could reasonably be expected to restrict the business of any member of the Wider Hunters Group or the Wider TPF Group other than to a nature and extent which is normal in the context of the business concerned; or
 - (C) is other than in the ordinary course of business,
 and which is, in any such case, material in the context of the Wider Hunters Group taken as a whole;
- (viii) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Hunters Group;
- (ix) entered into or varied or made an offer (which remains open for acceptance) to vary the terms of any contract, agreement, letter of appointment, commitment or arrangement with any of the directors or senior executives of any member of the Wider Hunters Group or changed or entered into any commitment to change the terms of any of the Hunters Share Plans save for salary or fee increases and bonuses not resulting in total annual remuneration of any individual exceeding the immediately preceding year's remuneration by more than three per cent. or other

bonuses or variations of terms in the ordinary course of business which are not material in the context of the Acquisition or the Wider Hunters Group taken as a whole;

- (x) commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise;
- (xi) taken any corporate action or had any step, application, filing in court, notice or legal proceedings started, served, instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction which in any case is material in the context of the Wider Hunters Group taken as a whole;
- (xii) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or having entered into or taken steps to enter into a moratorium, composition, compromise or arrangement with its creditors in respect of its debts or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xiii) waived, settled, abandoned or compromised any claim or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the Wider Hunters Group (other than in the ordinary and usual course of business) to an extent which is material in the context of the Wider Hunters Group taken as a whole;
- (xiv) terminated or varied the terms of any agreement or arrangement between any member of the Wider Hunters Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position or prospects of the Wider Hunters Group taken as a whole;
- (xv) made any alteration to its articles of association other than as required to implement the Acquisition;
- (xvi) put in place any pension schemes for its Directors, employees or their dependants or made or agreed or consented to any change to:
 - (A) the terms of the trust deeds constituting the pension schemes (if any) established by any member of the Wider Hunters Group for its Directors, employees or their dependants; or
 - (B) the contributions payable to any such schemes or to the benefits which accrue or to the pensions which are payable thereunder; or
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,or agreed or consented to any change to the trustees involving the appointment of a trust corporation;
- (xvii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Hunters Group;
- (xviii) entered into any contract, agreement, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (h); or

- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Hunters Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (i) since 31 December 2019 and save as Disclosed:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Hunters Group;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Hunters Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Hunters Group;
 - (iii) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Hunters Group;
 - (iv) no contingent or other liability having arisen or become apparent to any member of the TPFG Group which would be reasonably likely to materially adversely affect any member of the Wider Hunters Group, taken as a whole;
 - (v) no claim being made and no circumstance having arisen which might reasonably be expected to lead to a claim being made under the insurance of any member of the Wider Hunters Group where such claim would not be covered by such insurance and where such claim is material in the context of the Wider Hunters Group taken as a whole; and
 - (vi) no steps having been taken which might reasonably be expected to result in the withdrawal, cancellation, termination or modification of any licence, permit or consent held by any member of the Wider Hunters Group which is necessary for the proper carrying on by such member of its business; and
 - (vii) no member of the Wider Hunters Group having conducted its business in breach of any applicable laws and regulations;
- (j) the TPFG Group not having discovered:
 - (i) that any financial, business or other information concerning the Wider Hunters Group disclosed at any time by or on behalf of any member of the Wider Hunters Group, whether publicly or not, to The Property Franchise Group or otherwise, is misleading or contains a misrepresentation of fact or omits to state a fact necessary to make that information contained therein not misleading and which was not subsequently corrected before the date of this Announcement by disclosure by or on behalf of the Wider Hunters Group through the publication of an announcement via the Regulatory Information Service or otherwise; or
 - (ii) that any member of the Wider Hunters Group is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of Hunters for the financial year ended 31 December 2019 or which is not otherwise disclosed to The Property Franchise Group before the date of the Announcement; or
 - (iii) any information which affects the import of any information disclosed to The Property Franchise Group at any time by or on behalf of any member of the Wider Hunters Group in each case to an extent which is material and adverse in the context of the Wider Hunters Group taken as a whole;
- (k) the TPFG Group not having discovered that:
 - (i) any past or present member, Director, officer or employee of the Wider Hunters Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or any person that performs or has performed services for or on behalf of the Wider

Hunters Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or

- (ii) any asset of any member of the Wider Hunters Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, Director, officer or employee of the Wider Hunters Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union or British persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union or English laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the United Kingdom; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, European Union or any of its member states; or
- (iv) a member of the Wider Hunters Group being engaged in any transaction which would cause The Property Franchise Group to be in breach of any law or regulation upon its Acquisition of Hunters, including the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury in the United Kingdom, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states;

in each case to an extent which is material in the context of the Wider Hunters Group taken as a whole; and

- (l) save as Disclosed, the TPF Group not having discovered that:
 - (i) any past or present member of the Wider Hunters Group has failed to comply with any applicable legislation, regulations or common law of any jurisdiction or any notice, order or requirement of any Third Party with regard to the use, treatment, handling, storage, carriage, transport, release, disposal, discharge, presence, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment (including property) or harm human or animal health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, carriage, transport, release, disposal, discharge, presence, spillage, release, leak or emission (whether or not the same constituted a non-compliance by any person with any legislation, regulations or law and wherever the same may have taken place) which, in any case, would be reasonably likely to give rise to any material liability (whether actual or contingent) or cost on the part of any member of the Wider Hunters Group; or
 - (ii) there is, or is reasonably likely to be, any obligation or liability, whether actual or contingent, to make good, repair, reinstate, remedy or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Hunters Group or any other property or controlled waters under any environmental legislation, regulation, common law, notice, circular, order or other lawful requirement of any relevant authority or Third Party in any jurisdiction or otherwise; or
 - (iii) circumstances exist whereby a person or class of persons would be likely to have a claim against a member of the Wider Hunters Group in respect of any product or service used therein now or previously sold or carried out by any past or present member of the Wider Hunters Group,

in each case to an extent which is material in the context of the Wider Hunters Group taken as whole.

Part 2: Waiver of Conditions and further terms of the Acquisition and the Scheme

1. Subject to the requirements of the Panel, or if required, by the Court, The Property Franchise Group reserves the right to waive all or any of the Conditions in Part 1 above save for (i) the Conditions contained in Conditions 1, 2(a), 2(c), 2(e), 3(a) and 3(b) which cannot be waived). If any of the deadlines in Conditions in 2(b), 2(d) or 2(f) are not met, The Property Franchise Group shall make an announcement by 8:00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed to extend the deadline.
2. The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or where appropriate, have been determined by The Property Franchise Group to be or remain satisfied, by no later than 11:59 p.m on the date immediately preceding the date of the Sanction Hearing, failing which the Scheme will lapse.
3. The Acquisition will lapse if the Scheme does not become Effective by no later than 11.59 pm on the Long Stop Date.
4. The Property Franchise Group shall not be under any obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions by a date earlier than the latest date of the fulfilment of that Condition notwithstanding that the other Conditions to the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
5. If The Property Franchise Group is required by the Panel to make an offer for the Hunters Shares under the provisions of Rule 9 of the Takeover Code, The Property Franchise Group may make such alterations to the Conditions and certain further terms of the Acquisition as are necessary to comply with the provisions of that Rule.
6. The Acquisition will lapse if it or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference before the date of the Court Meeting.
7. The Property Franchise Group reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to the Panel's consent)) as an alternative to the Scheme. In such event, such offer will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such lower percentage (being more than 50 per cent.) as The Property Franchise Group may decide (subject to the Panel's consent)) of the shares to which such offer relates), so far as applicable, as those which would apply to the Scheme (the "**General Offer Acceptance Condition**"). Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Hunters Shares are otherwise acquired, it is the intention of The Property Franchise Group to apply the provisions of section 979 of the Companies Act to compulsorily acquire any outstanding Hunters Shares to which such Takeover Offer relates.
8. The Hunters Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equitable interests, security interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, or made or on or after the Effective Date (excluding the Special Interim Dividend).
9. The New TPFG Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the TPFG Shares in issue at the time the New TPFG Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Application will be made for the New TPFG Shares to be admitted to trading on AIM.
10. Under Rule 13.5 of the Takeover Code, The Property Franchise Group may only invoke a condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn where the circumstances which give rise to the right to invoke the condition are of

material significance to The Property Franchise Group in the context of the Acquisition. The Conditions contained in Conditions 1, 2 and 3(a) and 3(b) of Part 1 of this Appendix I and the General Offer Acceptance Condition are not subject to this provision of the Takeover Code. The Acquisition and the Scheme are and will be governed by the laws of England and Wales and will be subject to the exclusive jurisdiction of the English and Welsh courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition will also be subject to the applicable requirements of the Companies Act, the Court, the regulations of the FCA, the London Stock Exchange, the AIM Rules and the Takeover Code, the Market Abuse Regulation and, the Disclosure Guidance and Transparency Rules. This document does not constitute, or form part of, an offer or invitation to purchase Hunters Shares or any other securities.

11. The availability of the New TPFPG Shares under the Acquisition to Hunters Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident or to which they are subject. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. Further details in relation to Overseas Shareholders will be contained in the Scheme Document. The New TPFPG Shares to be issued under the Acquisition have not been and will not be registered under the US Securities Act or under any laws or with any securities regulatory authority of any State or other jurisdiction of the United States or under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the New TPFPG Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, or any other Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction, including, without limitation, the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
13. If any dividend (other than the Special Interim Dividend) or other distribution or return of capital is proposed, declared, made, paid or becomes payable by Hunters in respect of a Hunters Share on or after the date of the Announcement and prior to the Acquisition becoming Effective, The Property Franchise Group reserves the right to reduce the value of the consideration payable for each Hunters Share under the Acquisition by up to the amount per Hunters Share of such dividend, distribution or return of capital. If any such dividend and/or other distribution and/or other return of value occurs and The Property Franchise Group exercises its rights pursuant to this paragraph, any reference in this document to the Offer Price shall be deemed to be a reference to the Offer Price as so reduced. Any exercise by The Property Franchise Group of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. To the extent that any such dividend and/or distribution and/or return of capital is declared, made, paid in respect of the Hunters Shares and (i) is transferred pursuant to the Acquisition on a basis which entitles The Property Franchise Group to receive the dividend and/or distribution and/or return of capital and to retain it or (ii) such dividend and/or distribution and/or return of capital is cancelled, the Offer Price will not be subject to change in accordance with this paragraph.
14. Fractions of the New TPFPG Shares will not be allotted or issued pursuant to the Acquisition, but entitlements of Hunters Shareholders will be rounded down to the nearest whole number of New TPFPG Shares and all fractions of New TPFPG Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes Effective. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to Hunters Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Enlarged Group.

15. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX II

UNITED KINGDOM TAXATION

The comments set out below are based on what is understood to be current United Kingdom tax law as applied in England in respect of persons who are United Kingdom residents and HMRC practice as at the date of this document, both of which are subject to change, possibly with retrospective effect, and noting that non-statutory guidance may not be binding on HMRC. They are intended as a general guide and apply only to Hunters Shareholders who are to be issued with shares pursuant to the Scheme, who are resident and in the case of an individual, domiciled, for tax purposes in the United Kingdom and to whom "split year" treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold Hunters Shares and New TPFG Shares as an investment and who are the absolute beneficial owners of them. (In particular, shareholders holding their shares via a depositary receipt system or clearance service should note that they may not always be the absolute beneficial owners of them.) The discussion does not address all possible tax consequences relating to an investment in the shares. Certain categories of shareholders, such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organisations, persons connected with Hunters, The Property Franchise Group or members of either of their groups, persons holding shares as part of hedging or conversion transactions, shareholders who are not domiciled in the United Kingdom, shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, and shareholders who are, are to become or have been officers or employees of Hunters or The Property Franchise Group or members of either of their groups and others subject to specific tax regimes or benefitting from certain reliefs or exemptions, may be subject to special rules and this summary does not apply to such shareholders.

Shareholders who are in any doubt about their tax position, or who are resident in Scotland, Wales or outside the United Kingdom or are otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers.

Special tax provisions may apply to Hunters Shareholders who have acquired or who acquire their Scheme Shares by exercising options under the Hunters Share Plans, including provisions imposing a charge to income tax. This summary does not apply to such Hunters Shareholders and such Hunters Shareholders are advised to seek independent professional advice.

Tax consequences of the Scheme

Tax consequences on the issue of the New TPFG Shares and cash consideration

Receipt of New TPFG Shares pursuant to the Scheme

Any Hunters Shareholder who does not hold (either alone or together with persons connected with him) more than five per cent. of, or of any class of, shares in or debentures of Hunters (which, in practice, would mean five per cent. of the class of shares which Hunters Shareholders will exchange for New TPFG Shares), should, for the purposes of tax on chargeable gains, be treated as having made no disposal of their Hunters Shares. Instead, the New TPFG Shares will be treated as the same asset as those Hunters Shares in respect of which he received the New TPFG Shares, acquired at the same time and for the same consideration as those Hunters Shares.

Any Hunters Shareholder who holds (either alone or together with persons connected with him) more than five per cent. of, or any class of, shares in or debentures of Hunters is advised that the treatment mentioned above will apply, provided HM Revenue & Customs are satisfied, as is expected, that the Scheme will be effected for *bona fide* commercial reasons and that it does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax.

Cash

To the extent that a Hunters Shareholder receives cash under the terms of the Scheme in respect of some or all of his Scheme Shares, that Hunters Shareholder will, except to the extent referred to in the penultimate paragraph of this section, be treated as making a part disposal of such Scheme Shares. Depending on the Hunters Shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses), the part disposal may give rise to a liability to UK tax on

chargeable gains. Any chargeable gain on such a disposal will be computed on the basis of an apportionment of the allowable cost to the holder of acquiring his relevant Scheme Shares between any Scheme Shares that are exchanged for New TPFPG Shares and those Scheme Shares in respect of which he has received cash, by reference to their market values at the time of the relevant disposal.

If a Hunters Shareholder receives cash in respect of the sale of any fractional entitlement to New TPFPG Shares, this should, except to the extent referred to in the penultimate paragraph of this section, be treated as a part disposal, of his Hunters Shares which may, depending on the shareholder's individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to United Kingdom tax on capital gains. Any chargeable gain on such a disposal will be computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of disposal.

If the amount of cash received is small in comparison with the value of his Hunters Shares, the Hunters Shareholder should not generally be treated as having made a part disposal of his Hunters Shares. Instead, the cash should generally be treated as a deduction from the allowable cost of his Hunters Shares rather than as the proceeds of disposal. Under current HMRC practice, any cash payment of £3,000 or less or which is five per cent. or less of the market value of a Hunters Shareholder's holding of Hunters Shares should generally be treated as small for these purposes.

Participants in the Hunters Share Plans should refer to the letters sent separately to them regarding their tax treatment.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT") in respect of New TPFPG Shares

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position in respect of New TPFPG Shares. Investors should note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

General

Except in relation to depositary receipt systems and clearance services (to which the special rules outlined below apply), no stamp duty or SDRT will arise on the issue of shares in registered form by The Property Franchise Group.

No stamp duty or SDRT should be payable on the transfer of New TPFPG Shares since the exemption for shares on a recognised growth market should apply. This is on the basis that the New TPFPG Shares will be admitted to trading on AIM on the Effective Date of the Transaction, that AIM remains a recognised growth market and that the New TPFPG Shares remain admitted to trading on AIM and no other market.

Should the recognised growth market exemption not apply, an agreement to transfer New TPFPG Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

Should the recognised growth market exemption not apply, an instrument transferring New TPFPG Shares will generally be subject to stamp duty at the rate of 0.5 per cent. of the amount or consideration given for the transfer (rounded up to the nearest £5). The purchaser normally pays the stamp duty.

An exemption from stamp duty is also available on an instrument transferring the New TPFPG Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

If a duly stamped transfer instrument completing an agreement to transfer New TPFPG Shares is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is generally repayable, normally with interest, provided that a claim for repayment is made and otherwise the SDRT charge is cancelled.

Depository Receipt Systems and Clearance Services

Where New TPFG Shares are transferred (otherwise than in connection with their issue) and at a time when the recognised growth exemption does not apply: (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services within section 70 or section 96 of the Finance Act 1986; or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depository receipts within section 67 or section 93 of Finance Act 1986, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the New TPFG Shares.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, and should the recognized growth market exemption not apply, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will arise on any transfer of New TPFG Shares into such an account and on subsequent agreements to transfer such shares within such account.

Typically as a matter of current practice HMRC do not charge SDRT at a rate of 1.5 per cent. when there is an issue or transfer of shares in a UK incorporated company to a clearance service or depository receipt system when the issue or transfer is an integral part of raising capital.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service, which does arise, will strictly be accountable by the clearance service or depository receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depository receipt system.

Specific professional advice should be sought before payment of a 1.5 per cent. stamp duty or SDRT charge.

Tax consequences in respect of New TPFG Shares

Taxation of Dividends on New TPFG Shares

The Property Franchise Group are not currently required to withhold amounts on account of United Kingdom tax at source when paying a dividend on New TPFG Shares.

The following statements in this section apply to United Kingdom individual residents, other than those resident in Scotland or Wales to whom different income tax rates may apply, unless otherwise indicated. For the tax year 6 April 2020 to 5 April 2021 a nil rate of income tax is applied to the first £2,000 of an individual's dividend income (the "**dividend allowance**"). For these purposes, dividend income includes UK and non-UK source dividends and certain other distributions in respect of shares.

Therefore an individual TPFG Shareholder who receives a dividend from The Property Franchise Group will not be liable to United Kingdom income tax on the dividend to the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) that dividend falls within the dividend allowance.

To the extent that (taking account of any other dividend income received by the individual TPFG Shareholder in the same tax year) the dividend exceeds the dividend allowance, it will be subject to income tax at 7.5 per cent. to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5 per cent. to the extent that it is within the higher rate band, or 38.1 per cent. to the extent that it is within the additional rate band (each such rate as applicable in tax year 6 April 2020 to 5 April 2021).

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of an individual TPFG Shareholder's income. In addition, dividends within the dividend allowance which (in the absence of the dividend allowance) would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

TPFG Shareholders who are within the charge to corporation tax will be subject to corporation tax on dividends paid by The Property Franchise Group, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each shareholder's position will depend on its own individual circumstances, although it would normally be expected that the dividends paid by The Property Franchise Group would fall within an exempt class. It should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

No tax credit will attach to any dividend paid by The Property Franchise Group. A shareholder resident outside the United Kingdom may also be subject to foreign taxation on dividend income under local law. TPFPG Shareholders who are not resident for tax purposes in the United Kingdom (or who are so resident but are resident in Scotland or Wales) should obtain their own tax advice concerning tax liabilities on dividends received from The Property Franchise Group.

Taxation of Capital Gains on New TPFPG Shares

Individual Shareholders resident in the United Kingdom

For a United Kingdom resident individual Shareholder within the charge to United Kingdom capital gains tax, capital gains tax is charged on chargeable gains on the disposal (including a deemed disposal) of New TPFPG Shares. Subject to available reliefs or allowances, a chargeable gain arising on a disposal of New TPFPG Shares by an individual United Kingdom resident shareholder would be taxed at the rate of 10 per cent. except to the extent that the gain, when it is added to the Shareholder's other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band, in which case it will be taxed at the rate of 20 per cent. The capital gains tax annual exemption may be available to individual Shareholders (to the extent it has not already been utilised) to offset against chargeable gains realised on a disposal of their New TPFPG Shares. For the tax year 6 April 2020 to 5 April 2021 the annual exempt amount is £12,000.

Corporate Shareholders resident in the United Kingdom

For TPFPG Shareholders within the charge to United Kingdom corporation tax on chargeable gains, a disposal (or deemed disposal) of New TPFPG Shares may give rise to a chargeable gain or allowable loss for the purposes of United Kingdom corporation tax.

Corporation tax is charged on chargeable gains at the corporation tax rate applicable to that corporate Shareholder, subject to any available exemption or relief.

Shareholders not resident in the United Kingdom

A TPFPG Shareholder who is not a United Kingdom resident will not be subject to United Kingdom tax on a gain arising (whether an individual or a company) on a disposal of New TPFPG Shares unless (a) the TPFPG Shareholder carries on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment and, broadly, holds the New TPFPG Shares for the purposes of the trade, profession, vocation, branch, agency or permanent establishment or (b) the TPFPG Shareholder falls within the anti-avoidance rules applying to individuals who are temporarily not resident in the United Kingdom.

Shareholders who are not resident in the United Kingdom may be subject to foreign taxation on any gain under local law.

Inheritance Tax in respect of New TPFPG Shares

New TPFPG Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, a TPFPG Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold New TPFPG Shares bringing them within the charge to inheritance tax. TPFPG Shareholders should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any New TPFPG Shares through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to

United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

Hunters Shares are currently admitted to trading on AIM and, subject to certain conditions being met by both Hunters and any holder of Hunters Shares, business property relief (a relief from United Kingdom inheritance tax) may be available in respect of existing holdings of Hunters Shares. New TPFG Shares are also admitted to trading on AIM, so subject to certain conditions being met by both The Property Franchise Group and any holder of TPFG Shares, business property relief (a relief from United Kingdom inheritance tax) may be available in respect of holdings of New TPFG Shares. Shareholders who are in any doubt about the United Kingdom inheritance tax impact of the exchange of Hunters Shares for New TPFG Shares should obtain detailed advice from their own professional advisers.

APPENDIX III

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Hunters Directors, whose names are set out in paragraph 2.1 of this Appendix III, each accept responsibility for all the information contained in this document (including any expressions of opinion), other than information (and expressions of opinion) contained in this document for which responsibility is taken by the TPFG Directors pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Hunters Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither The Property Franchise Group nor any of the TPFG Directors takes responsibility for the information for which the Hunters Directors take responsibility.
- 1.2 The TPFG Directors whose names are set out in paragraph 2.3 of this Appendix III, each accept responsibility for all the information contained in this document (including any expressions of opinion) relating to The Property Franchise Group and the TPFG Group, the TPFG Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the TPFG Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither Hunters nor any of the Hunters Directors takes responsibility for the information for which the TPFG Directors take responsibility.

2. Directors

- 2.1 The Hunters Directors and their respective positions are:

Kevin Hollinrake	<i>Chairman</i>
Glynis Frew	<i>Chief Executive Officer</i>
Ed Jones	<i>Chief Financial Officer</i>
Harry Hill	<i>Non-Executive Director</i>
Dean Fielding	<i>Non-Executive Director</i>

- 2.2 The registered office of Hunters, whose registered number is 09448465, and the business address of each of the Hunters Directors is Apollo House, Eboracum Way, Heworth Green, York YO31 7RE. The Company Secretary of Hunters is Ed Jones.

- 2.3 The TPFG Directors and their respective positions are:

Richard Martin	<i>Non-Independent Non-Executive Chairman</i>
Gareth Samples	<i>Chief Executive</i>
David Raggett	<i>Chief Financial Officer</i>
Paul Latham	<i>Independent Non-Executive Director</i>
Phil Crooks	<i>Independent Non-Executive Director</i>

- 2.4 The registered office of The Property Franchise Group, whose registered number is 08721920, and the business address of each of the TPFG Directors, is 2 St. Stephen's Court, St Stephen's Road, Bournemouth, Dorset BH2 6LA. The Company Secretary of The Property Franchise Group is David Arthur Raggett.
- 2.5 The registered office of the Enlarged Company will be 2 St. Stephen's Court, St Stephen's Road, Bournemouth, Dorset BH2 6LA.

3. Persons acting in concert

3.1 In addition to the Hunters Directors and the Hunters Group companies, the persons who, for the purposes of the Takeover Code, are acting, or deemed to be acting, in concert with Hunters in respect of the Acquisition are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Hunters</u>
SPARK Advisory Partners Limited	Connected Adviser	5 St John's Lane, London EC1M 4BH	Financial Adviser and Nominated Adviser
Dowgate Capital	Connected Adviser	15 Fetter Lane, London EC4A 1BW	Corporate Broker

3.2 In addition to the members of the TPF Group and their directors, the persons who, for the purposes of the Takeover Code, are acting in concert with The Property Franchise Group in respect of the Acquisition are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with The Property Franchise Group</u>
Cenkos Securities plc	Connected Advisor	6-8 Tokenhouse Yard, London EC2R 7AS	Financial Adviser and Nominated Adviser

4. Disclosure of interests, short positions and dealings in shares

Definitions

4.1 For the purposes of this Appendix III:

- (a) “**acting in concert**” with Hunters or The Property Franchise Group, as the case may be, means any person acting or deemed to be acting in concert with Hunters or The Property Franchise Group, as the case may be, for the purposes of the Takeover Code;
- (b) “**arrangement**” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of Hunters which may be an inducement to deal or refrain from dealing;
- (c) “**connected person**” means, in relation to any person who is a director of a company, any other person whose interests in shares the director is taken to be interested in pursuant to Part 22 of the Companies Act and related regulation;
- (d) “**control**” means an interest or interests in shares carrying an aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest or interests gives *de facto* control;
- (e) “**dealing**” or “**dealt**” includes the following:
 - (i) the acquisition or disposal of relevant securities, or the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights;

- (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (f) **“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- (g) **“disclosure date”** means the Latest Practicable Date;
- (h) **“disclosure period”** means the period commencing on 4 December 2019, being the date 12 months prior to the commencement of the Offer Period, and ending on the disclosure date;
- (i) **“financial collateral arrangement”** means a security financial collateral arrangement which provides a right for the collateral taken to use and dispose of relevant securities as if it were the owner of those securities;
- (j) a person has an **“interest”** or is **“interested”** in relevant securities if a person has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if that person only has a short position in such securities) and, in particular, includes where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;
- (k) **“relevant TPFG securities”** means shares in The Property Franchise Group and any other securities conferring voting rights and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (l) **“relevant Hunters securities”** means shares in Hunters and any other securities conferring voting rights and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (m) **“relevant securities”** means relevant Hunters securities or relevant TPFG securities;
- (n) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (o) **“voting rights”** means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting of that company. Except for treasury shares, any shares which are subject to (i) a restriction on the exercise of voting rights in an undertaking or agreement by or between a shareholder and the company or a third party, or arising by law or regulation; or (ii) a suspension of voting rights implemented by means of the company's articles of association or otherwise, will normally be regarded as having voting rights which are currently exercisable at a general meeting; and

- (p) “close relatives”, “connected adviser”, “exempt fund manager” and “securities” have the meanings attributed to them in the Takeover Code.

Interests in relevant Hunters securities

4.2 As at the Latest Practicable Date:

- (a) the following Hunters Directors (including members of their immediate families, close relatives and related trusts) had an interest in, or, with the exception of options granted pursuant to the Hunters Share Plans which are set out in paragraph 4.2(b) below, a right to subscribe for, certain relevant Hunters securities as follows:

Name	Number of Hunters Shares	Percentage of issued share capital of Hunters
Kevin Hollinrake	4,356,518	13.3%
Ed Jones	4,027,629	12.3%
Glynis Frew	1,917,622	5.8%
Harry Hill	682,005	2.1%
Dean Fielding	228,850	0.7%
Total	11,212,624	34.2%

- (b) the following options over relevant Hunters securities had been granted to Hunters Directors under the Hunters Share Plans and remain outstanding:

Name	Date granted	Hunters Share Plan	Option exercise price (pence)	Number of Hunters Shares	Expiry date
Kevin Hollinrake	9 July 2019	LTIP	4	100,000	9 July 2021
Glynis Frew	9 July 2019	LTIP	4	325,000	9 July 2021
Ed Jones	9 July 2019	LTIP	4	275,000	9 July 2021
Harry Hill	28 January 2016	—	4	150,000	28 January 2026

Further details of the above options and their treatment in connection with the Acquisition are set out in paragraphs 6.1 and 6.4 below.

Interests in relevant TPFG securities

4.3 As at the Latest Practicable Date Ed Jones held 1,200 TPFG Shares.

Interests in relevant TPFG securities

4.4 As at the Latest Practicable Date:

- (a) the following TPFG Directors (including members of their immediate families, close relatives and related trusts) had an interest in, or, with the exception of options and awards granted pursuant to the TPFG Share Schemes which are set out in paragraph 4.4(b) below, a right to subscribe for, certain relevant TPFG securities as follows:

Name	Number of TPFG Shares
Richard Martin	8,039,950
Paul Latham	50,000
David Raggett	227,400

- (b) the following awards and options over relevant TPFG securities had been granted to TPFG Directors under the TPFG Share Schemes and remain outstanding:

Name	Date granted	TPFG Share Scheme	Option exercise price (pence)	Number of TPFG Shares	Expiry Date
Gareth Samples	22 July 2020	EMI Share Option Scheme 2020	1p	100,000 (unvested)	22 July 2030
David Raggett	22 July 2020	EMI Share Option Scheme 2020	1p	100,000 (unvested)	22 July 2030
David Raggett	6 August 2019	EMI Share Option Scheme 2019	1p	100,000 (unvested)	6 August 2029
David Raggett	1 August 2018	EMI Share Option Scheme 2018	1p	500,000* (unvested)	1 August 2028
David Raggett	9 July 2017	EMI Share Option Scheme 2017	1p	125,000 (vested)	9 June 2027

* As disclosed in the Annual Report for 2019, this is the maximum number of shares that can vest. The holder can only exercise the option granted in 2017 or the option granted in 2018. The performance conditions for the option issued in 2018 are measured as at 31 December 2020 and the vested number of shares determined in March 2021.

Dealings in relevant TPFG securities

- 4.5 During the disclosure period, the following dealings for value in relevant TPFG securities by the TPFG Directors (including members of their immediate families, close relatives and related trusts) have taken place:

Name	Transaction period	Transaction	Number of TPFG Shares	Price per security (pence)
Richard Martin	31 July 2020	Sale	850,000	173.25

General

- 4.6 Save as disclosed in this document:

- (a) as at the Latest Practicable Date neither The Property Franchise Group, any of the TPFG Directors (including any members of such directors' respective close relatives, related trusts or connected persons), nor any other person acting in concert with The Property Franchise Group, had any right to subscribe for, or had any interests, short position in relation to, any relevant TPFG securities or any relevant Hunters securities, nor had any such person dealt in any relevant TPFG securities or any relevant Hunters securities during the disclosure period;
- (b) as at the Latest Practicable Date neither Hunters, any of the Hunters Directors (including any members of such directors' respective close relatives, related trusts or connected persons), nor any other person acting in concert with Hunters, had any right to subscribe for, or had any interests, short position in relation to, any relevant TPFG securities or any relevant Hunters Securities, nor had any such person dealt in any relevant TPFG securities or any relevant Hunters Securities during the period between the start of the Offer Period and the disclosure date;
- (c) Hunters has not redeemed or purchased any relevant Hunters securities during the disclosure period;
- (d) The Property Franchise Group has not redeemed or purchased any relevant TPFG securities during the period between the start of the Offer Period and the disclosure date;

- (e) neither Hunters nor any person acting in concert with Hunters has borrowed or lent any relevant Hunters securities or TPFG securities (including, for these purposes, any financial collateral arrangements), save for any borrowed shares which have either been on-lent or sold;
- (f) neither The Property Franchise Group nor any person acting in concert with The Property Franchise Group has borrowed or lent any relevant Hunters securities or TPFG securities (including, for these purposes, any financial collateral arrangements), save for any borrowed shares which have either been on-lent or sold;
- (g) save for the irrevocable undertakings described in paragraph 10 of this Appendix III, there are no arrangements in existence between Hunters or any person acting in concert with Hunters and any other person, nor between The Property Franchise Group or any person acting in concert with The Property Franchise Group and any other person, in relation to relevant securities; and
- (h) save as disclosed, no agreement, arrangement or understanding (including any compensation arrangement) exists between The Property Franchise Group or any person acting in concert with The Property Franchise Group for the purposes of this Acquisition and any of the Hunters Directors, recent directors, shareholders or recent shareholders of Hunters, or any person interested or recently interested in Hunters Shares, having any connection with or dependence upon, or which is conditional upon, the Acquisition.

5. Market quotations

The following table shows the Closing Prices of Hunters Shares and of TPFG Shares (derived from the AIM Appendix to the Daily Official List) and of TPFG Shares, on the following dates, unless otherwise indicated:

- (a) the first Business Day of each of the six months immediately before the date of this document;
- (b) 3 December 2020, being the last Business Day before the commencement of the Offer Period; and
- (c) 8 February 2021, being the Latest Practicable Date.

Date	Hunters Shares Closing Price (in pence)	TPFG Shares Closing Price (in pence)
1 September 2020	43.5	167.5
1 October 2020	51.5	195.0
2 November 2020	51.5	173.0
1 December 2020	58.5	175.5
3 December 2020	58.5	180.5
4 January 2021	65.0	189.0
1 February 2021	67.0	186.5
8 February 2021	67.0	193.0

6. Hunters Shares and Hunters Share Plans

Any Hunters Share issued, including on the exercise of an option under the Hunters Share Plans on or after the Scheme Record Time will not be subject to the Scheme. It is, therefore, proposed to amend Hunters' Articles at the General Meeting, as set out in the notice of General Meeting in Appendix VII of this document, so that, if the Scheme becomes Effective, any Hunters Share issued to any person (other than The Property Franchise Group or its nominee(s)) on or after the Scheme Record Time will be automatically acquired by The Property Franchise Group on the same terms as under the Scheme.

6.1 **Hunters Property Senior Executive Share Option Scheme (the “LTIP Scheme”)**

The LTIP Scheme was established by Hunters on 18 December 2015. It provides for the grant of options (the “**LTIP Options**”) to employees of the Hunters Group to subscribe for or otherwise acquire shares in Hunters. The LTIP is administered by the Hunters Board which may delegate such function to a committee of the Hunters Directors.

The LTIP allows for the grant of options qualifying for tax-advantaged status under the Enterprise Management Incentives contained in Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (“**ITEPA**”) (“**Qualifying EMI options**”) and options which do not benefit from any tax advantaged status (“**Non-Tax Advantaged option**”).

The LTIP Options vest subject to performance conditions.

LTIP Options are to be exercisable to the extent they have vested on the earliest of (i) the announcement to the regulatory information service of the results of Hunters for the third financial year following the financial year in which the option is granted; (ii) an event constituting a change of control specified in the scheme rules; and (iii) to the extent it is exercisable in accordance with the scheme rules relating to the termination of the employment of the option holder.

The LTIP Options are not currently exercisable.

The extant LTIP Options (including those options which are to be surrendered) and their details are as follows:

Number of shares under option	Exercise price (£)
1,250,000	0.04

All the LTIP Options (with the exception of those held by Andrew Rapson, Andrew Bushell and Carrie Alliston) have been conditionally surrendered for nil consideration such surrenders taking effect on the Effective Date.

In respect of the LTIP Options held by Andrew Rapson, Andrew Bushell and Carrie Alliston, the Hunters Board has exercised its discretion to invite the option holders to exercise their LTIP Options as to a third of their overall entitlement prior to and conditional upon the Scheme being sanctioned by the Court. The Hunters Board is satisfied that those LTIP Options would otherwise have vested to that extent. If not exercised, the LTIP Options will lapse at the Effective Date.

The options to be exercised are as follows:

Name of option holder and number of shares in respect of which invited to exercise LTIP Option	Exercise price (£)	Qualifying EMI option (Y/N)
Andrew Rapson (33,333)	0.04	Y
Andrew Bushell (83,333)	0.04	Y
Carrie Alliston (66,667)	0.04	Y

The rules of the LTIP Scheme have been amended by the Hunters Board to permit cashless exercise.

6.2 **2013 and 2015 Options**

Qualifying EMI options were granted over shares in the capital of Hunters as part of a restructuring of the Hunters Group which occurred on 27 March 2015. The Qualifying EMI options were granted by Hunters to option holders in exchange for the release of existing Qualifying EMI options on identical terms held by such option holders over shares in another company within the Hunters Group which were originally granted on 27 September 2013.

Options are to be exercisable on the earliest of (i) the third anniversary of the date of grant of the option agreements (being the date of grant of the original September 2013 options) and (ii) an event constituting a change of control specified in the scheme rules or otherwise as permitted by the scheme rules.

The options under the scheme are currently exercisable.

The extant options under the scheme are as follows:

Number of shares under option	Exercise price (£)	Qualifying EMI options (Y/N)
312,500	0.16	Y
75,000*	0.40	Y

*This option was granted in January 2015.

The Hunters Board has exercised its discretion to invite option-holders to exercise their options prior to and conditional upon the Scheme being sanctioned by the Court. The options under the 2013 scheme are fully vested and therefore the Hunters Board has invited exercise under its discretion by reference to the option holders' full entitlement.

In exercising its discretion, the Hunters Board has given the option-holders at least 10 working days to exercise their options and therefore the options will cease to be exercisable on the Effective Date. If not so exercised, the options will lapse four weeks after the Effective Date (but are not exercisable in that period).

The rules of the 2013 scheme permit cashless exercise.

6.3 **Hunters Property Employee Share Option Scheme ("ESO Scheme")**

This ESO Scheme was established by Hunters on 18 December 2015. It provides for the grant of options ("**ESO Options**") to employees of the Hunters Group to subscribe for or otherwise acquire shares in the capital of Hunters. The ESO Scheme is administered by the Hunters Board which may delegate such function to a committee of Hunters Directors.

The ESO Scheme allows the grant of Qualifying EMI options and Non-Tax Advantaged options.

ESO Options are to be exercisable on the earliest of (i) the third anniversary of the date of grant of the option agreements and (ii) an event constituting a change of control specified in the ESO Scheme rules.

The ESO Options are currently exercisable.

The extant ESO Options and the details relating thereto are as follows:

Number of shares under option	Exercise price (£)	Qualifying EMI options (Y/N)
100,500	0.73	Y

The Hunters Board has exercised its discretion under the ESO Scheme rules to invite the option holders to exercise their ESO Options prior to and conditional upon the Scheme being sanctioned by the Court. The ESO Options are all fully vested and therefore the Hunters Board has invited exercise in respect of the full entitlement under the ESO Options. The ESO Options will lapse if they are not exercised.

The rules relating to the ESO Options have been amended by the Hunters Board to permit cashless exercise.

6.4 **January 2016 – Option granted to Harry Douglas Hill ("HH Option")**

The HH Option was granted by Hunters to Harry Douglas Hill on 28 January 2016.

The HH Option is not exercisable until one of two "*Exercise Conditions*" has been satisfied, as follows:

- the "*Acquisition Exercise Condition*" – this is satisfied where Hunters (or any member of the Hunters Group) completes a significant acquisition of a business or body corporate; and

- the “*Change of Control Exercise Condition*” – this is satisfied if there is a change of control of Hunters pursuant to an offer or scheme of arrangement regulated by the Takeover Code which is recommended by the entire Hunters Board (or an independent committee of the Hunters Board established for the purpose of deciding whether to make a recommendation or not and neither the offeror, nor any person acting in concert, at the date of grant of the option more than 5 per cent. of the shares of Hunters in issue.

The HH Option is not a Qualifying EMI option.

The details of the HH Option are as follows:

Number of shares under option	Exercise price (£)	Qualifying EMI options (Y/N)
150,000	0.04	N

The Hunters Board has exercised its discretion to invite exercise of the HH Option prior to and conditional upon the Scheme being sanctioned by the Court. The HH Option will lapse if not exercised.

The HH Option agreement permits cashless exercise.

6.5 Summary of tax treatment for option holders under the Hunters Share Plans

The summary set out below assumes that all option holders under the abovementioned schemes are UK tax resident and UK domiciled and undertake all their employment duties in the UK.

Non-Tax Advantaged options

For options which are Non-Tax Advantaged options, the option holder will be subject to income tax and Class 1 National Insurance contributions (“**NICs**”) on the amount by which the market value of the shares acquired on exercise (determined at the date of exercise) exceeds the exercise price under the option agreement.

The income tax and primary and secondary Class 1 NICs are to be accounted for by the option holder’s employer through PAYE to HM Revenue and Customs. It will be necessary for the option holders to account to their respective employers for the tax arising on exercise to avoid any additional tax charges arising.

The rules of the schemes enable Hunters to enter into arrangements for the payment of any tax liabilities arising on exercise. Any tax due on exercise of the options will be withheld from the proceeds of sale under the scheme of arrangement and a direction made for the sums withheld to be paid to the employer of the relevant option holders.

Any chargeable gain realised on a disposal of the shares by the option holder would be subject to capital gains tax. For this purpose, the allowable cost of the shares is treated as equal to the market value of them on exercise of the option.

Qualifying EMI options

For options which are Qualifying EMI options the tax treatment on exercise will depend on whether the exercise price under the relevant options was equal to the actual market value (being market value taking into account any restrictions or forfeiture rights impacting the shares under option value).

If the exercise price is equal to the actual market value of the shares at the time the option is granted, then there will be no income tax (and no NICs) arising on exercise of the option.

If the exercise price is less than the actual market of the shares at the time the option is granted, then an income tax (and in this case Class 1 NICs charges) would arise on exercise of the option on the amount by which the actual market value at the date of grant of the option (or the actual market value of the shares at the time the option is exercised if lower) exceeds the exercise price.

Any income tax and primary and secondary Class 1 NICs are to be accounted for by the option holder's employer through PAYE to HM Revenue and Customs. It will be necessary for the option holders to account to their respective employers for the tax arising on exercise to avoid any additional tax charges arising.

The rules of the schemes enable Hunters to enter into arrangements for the payment of any tax liabilities arising on exercise. Any tax due on exercise of the options will be withheld from the proceeds of sale under the scheme of arrangement and a direction made for the sums withheld to be paid to the employer of the relevant option holders.

Any chargeable gain realised on a disposal of the shares by the option holder would be subject to capital gains tax.

7. Material contracts

Hunters material contracts

- 7.1 The following is a summary of each contract that has been entered into by members of the Hunters Group otherwise than in the ordinary course of business in the two years immediately preceding 4 December 2020 (the date of commencement of the Offer Period) and which is, or may be, material to the Hunters Group:

7.1.1 *Facilities Agreement*

Each member of the Hunters Group has entered into a facilities agreement dated 22 May 2020 (the "**Hunters Facilities Agreement**") with HSBC Bank plc ("**HSBC**"), pursuant to which HSBC has agreed to make available:

- (a) to Hunters Property Group Limited (as Original Borrower), a term loan facility in the amount of £135,000 (the "**Term Loan**"); and
- (b) to each member of the Hunters Group, a revolving credit facility in the aggregate amount equal to £5,550,000 (the "**RCF**").

The applicable annual rate of interest in relation to the Term Loan and the RCF is 2.8 per cent. above LIBOR.

The Term loan is repayable in instalments of £22,500 at the end of each three month period beginning on the date on which the Term Loan was made available. The RCF is repayable by each borrower on the last day of each interest period (being every three months following the date on which the RCF was made available).

Under the terms of the Hunters Facilities Agreement, the Term Loan and the RCF will each immediately cease to be available for further utilisation and all amounts outstanding under the Term Loan and/or the RCF will become immediately repayable in the event that any person gains control of Hunters and Hunters ceases to be listed on AIM. For the purposes of the Hunters Facilities Agreement, "control" means beneficially holding more than 30 per cent. of the issued share capital of Hunters. As such, any amounts outstanding under the Term Loan and/or the RCF will become immediately repayable upon the Acquisition becoming Effective.

7.1.2 *Coronavirus Business Interruption Loan Agreement*

Hunters has entered into a Coronavirus Business Interruption Loan Agreement with HSBC dated 21 May 2020 ("**CBIL Agreement**"), pursuant to which HSBC has agreed to make available to Hunters Property Group Limited a six-year term loan facility in the sum of £3,500,000 ("**CBIL**").

The applicable rate of interest in relation to the CBIL is 3.99 per cent. per annum above the Bank of England Base Rate.

Repayment of the CBIL does not commence until the date falling 13 months after the date on which the CBIL was made. On such date and thereafter, the CBIL is repayable in 59 monthly instalments of £58,333.33 plus interest.

Under the terms of the CBIL Agreement, HSBC has discretion to cancel all or any part of the CBIL, to demand repayment of all amounts due under the CBIL, to declare that any part of the CBIL is repayable on demand and/or to enforce any security or guarantees in connection with the CBIL if there is a change of control of Hunters without the written consent of HSBC.

The Property Franchise Group material contracts

7.2 The following is a summary of each contract that has been entered into by members of the TPF Group otherwise than in the ordinary course of business in the two years immediately preceding 4 December 2020 (the date of commencement of the Offer Period) and which is, or may be, material to the TPF Group:

7.2.1 TPF Facilities Agreement

On 27 January 2021 The Property Franchise Group as borrower, certain subsidiaries each acting as borrower and guarantors and Barclays Bank PLC acting as lender entered into an English law governed £12,500,000 facility agreement comprising a term facility ("**Facility A**") and a revolving credit facility ("**RCF**") (together the "**TPF Facilities Agreement**").

The Property Franchise Group shall repay Facility A in the following instalments on 30 June 2021 an instalment of £468,750, on each quarter date falling after 30 June 2021 but prior to the Termination Date an instalment of £468,750 and on the Termination Date the outstanding balance of Facility A. The Property Franchise Group may not reborrow any part of Facility A which is repaid. The "**Termination Date**" in respect of Facility A is the fourth anniversary of the utilisation of Facility A.

Any of the borrowers which have drawn down a loan under the RCF (an "**RCF Loan**") shall repay the relevant RCF Loan on the last day of its interest period. If one or more RCF Loans are to be made available to a borrower under the RCF on the same day that a maturing RCF Loan is due to be repaid by that borrower, and such new RCF Loan is in whole or in part for the purpose of refinancing the maturing RCF Loan, the aggregate amount of the new RCF Loan shall, unless the relevant borrower or The Property Franchise Group notifies the lender to the contrary in the relevant utilisation request, be treated as if applied in or towards repaying of the maturing RCF Loan.

The Property Franchise Group shall apply all amounts borrowed by it under Facility A, and to the extent that any amounts are drawn down by it under the RCF on the Scheme Effective Date, such amounts, towards (i) satisfying the consideration payable by The Property Franchise Group to the holders of the Scheme Shares pursuant to the Acquisition, in each case in accordance with the terms of the Scheme; and (ii) in payment of certain transaction costs in respect of the Acquisition; and (iii) to refinance the existing indebtedness of Hunters to HSBC. Following the end of the certain funds period in respect of the Acquisition, the lender may make all or part of the RCF available to any of the borrowers as an ancillary facility.

The events of default in the Facility Agreement include, but are not limited to, non-payment, breach of financial covenants, information undertakings and other obligations, in respect of change of ownership of certain subsidiaries, cross default and insolvency. The financial covenants are to ensure that interest cover in respect of any relevant period shall not be less than the ratio of 4.00:1; leverage in respect of any relevant period shall not exceed 2.00:1; and cashflow cover in respect of any relevant period shall not be less than 1.50:1.

There are also customary covenants including in respect of compliance with law and authorisations.

The rate of interest per annum applicable to each loan made pursuant to the Facility Agreement is calculated as the aggregate of the then applicable:

- (A) a margin of 2.40 per cent. per annum in relation to any Facility A loan and a margin of 2.20 per cent. per annum in relation to any RCF Loan; and

- (B) the Bank of England's bank rate as published by the Bank of England from time to time (where if at any time that rate is less than zero the Bank of England's rate will be deemed to be zero at that time) or if the Bank of England's bank rate ceases to exist or be available any applicable replacement rate selected by the lender and which shall be promptly notified to The Property Franchise Group (where if at any time that rate is less than zero the replacement rate will be deemed to be zero at that time).

A commitment fee is payable on the undrawn balance of the facility. An arrangement fee is payable in an amount and at a time set out in a fee letter. If The Property Franchise Group or any other borrower prepays all or part of a loan voluntarily on a day that is not the last day of the relevant interest period a prepayment fee is payable on the amount prepaid.

8. Offer-related arrangements

8.1 Confidentiality Agreement

The Property Franchise Group and Hunters have entered into a mutual confidentiality agreement dated 16 December 2020 pursuant to which each of The Property Franchise Group and Hunters has undertaken, among other things, to keep certain information relating to the Acquisition and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

The confidentiality obligations of each party under the Confidentiality Agreement continue until the earlier of completion of the Acquisition and 16 December 2022. The Confidentiality Agreement also contains customary non-solicit provisions, subject to customary carve-outs, until 16 December 2021.

9. Service agreements, letters of appointment and emoluments

Service agreements and letters of appointment of Hunters Directors

9.1 The following is a summary of the Directors' service agreements and/or letters of appointment:

- 9.1.1 Kevin Hollinrake's appointment as Chairman began on 19 February 2015 and he is currently engaged under a service agreement with Hunters dated 19 June 2015, under which the annual base salary is £55,000. The service agreement may be terminated by either Hunters or Kevin giving not less than 6 months' notice. Kevin is entitled to the following benefits: death in service cover at 4x base salary, private medical insurance, a pension contribution of 10 per cent. of salary (plus a 3 per cent. auto-enrolment employer pension contribution in respect of the first £50,000 of base salary) and a car allowance of £9,000 per annum. Kevin is also entitled to participate in the Hunters discretionary bonus scheme;
- 9.1.2 Glynis Frew's appointment as Chief Executive Officer began on 14 December 2016 and she is currently engaged under a service agreement with Hunters dated 19 June 2015, under which the annual base salary is £156,000. The service agreement may be terminated by either Hunters or Glynis giving not less than 12 months' notice. Glynis is entitled to the following benefits: death in service cover at 4x base salary, private medical insurance, a pension contribution of 10 per cent. of salary (plus a 3 per cent. auto-enrolment employer pension contribution in respect of the first £50,000 of base salary) and a car allowance of £9,000 per annum. Glynis is also entitled to participate in the Hunters discretionary bonus scheme;
- 9.1.3 Ed Jones' appointment as Chief Financial Officer and Company Secretary began on 19 February 2015 and he is currently engaged under a service agreement with Hunters dated 19 June 2015, under which the annual base salary is £125,000. The service agreement may be terminated by either Hunters or Ed giving not less than 12 months' notice. Ed is entitled to the following benefits: death in service cover at 4x base salary, private medical insurance, a pension contribution of 10 per cent. of salary (plus a 3 per cent. auto-enrolment employer pension contribution in respect of the first £50,000 of base salary) and a car allowance of £9,000 per annum. Ed is also entitled to participate in the Hunters bonus scheme;

- 9.1.4 Harry Hill's appointment as Deputy Chairman began on 14 December 2016 and he receives an annual base salary is £40,000. Harry's appointment may be terminated by either Hunters or Harry giving not less than 6 months' notice; and
- 9.1.5 Dean Fielding's appointment as Non-Executive Director began on 15 April 2015 and he is currently engaged under a letter of appointment with Hunters dated 19 June 2015, under which Dean receives an annual gross fee of £40,000. The letter of appointment may be terminated by either Hunters or Harry giving not less than 6 weeks' notice.

General

9.2 Save as disclosed above:

- (i) there are no service agreements or letters of appointment in force between any director or proposed director of Hunters;
- (j) none of the service agreements or letters of appointment provide for benefits upon termination;
- (k) no Hunters Director is entitled to commission or profit sharing arrangements;
- (l) none of the service agreements or letters of appointment described above were entered into during the six months preceding the date of this document, nor have any amendments been made to any such service agreement or letter of appointment during that period; and
- (m) there are no service agreements or letters of appointment of any director or proposed director of Hunters or of any of its subsidiaries which do not expire or cannot be terminated by Hunters or its relevant subsidiary within the next 12 months without payment of compensation (other than statutory compensation) or in respect of which there are provisions for pre-determining compensation on termination of an amount which equals or exceeds 12 months' salary and benefits in kind.

TPFG Directors' emoluments

9.3 The emoluments of the TPF Directors will not be affected by the Acquisition or any other associated transaction.

10. Irrevocable Undertakings

The following holders, controllers or beneficial owners of Hunters Shares have given irrevocable undertakings to accept the Acquisition and vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Hunters General Meeting to give effect to the Scheme:

Hunters Directors

The Property Franchise Group has received irrevocable undertakings from each of the Hunters Directors to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 11,212,619 Hunters Shares, representing approximately 34.2 per cent. of the ordinary share capital of Hunters in issue as at the Latest Practicable Date:

Name	Number of Hunters Shares	% of Hunters Shares in issue
Kevin Hollinrake	4,356,518	13.3%
Ed Jones	4,027,629	12.3%
Glynis Frew	1,917,622	5.8%
Harry Hill	682,000	2.1%
Dean Fielding	228,850	0.7%
Total	11,212,619	34.2%

The irrevocable undertakings given by the Hunters Directors will continue to be binding in the event that a higher competing offer is made for Hunters.

Each irrevocable undertaking listed in this paragraph shall lapse if, *inter alia*:

- the Scheme does not become Effective on or before the Long Stop Date; or
- any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a Scheme); or
- the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- any event occurs or becomes known to The Property Franchise Group before despatch of this document or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time

Hunters Shareholders (other than Directors of Hunters)

The Property Franchise Group has received irrevocable undertakings from Nigel Wray, John Waterhouse and Martin Robinson to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Hunters General Meeting, in respect of a total of 12,134,287 Hunters Shares, representing approximately 37.0 per cent. of the ordinary share capital of Hunters in issue on the Latest Practicable Date:

Name	Number of Hunters Shares	% of Hunters Shares in issue
Nigel Wray	5,959,500	18.2%
John Waterhouse	4,134,411	12.6%
Martin Robinson	2,040,376	6.2%
Total	12,134,287	37.0%

Each irrevocable undertaking listed in this paragraph shall lapse if, *inter alia*:

- the Scheme does not become effective on or before the Long Stop Date; or
- any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement); or
- the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- any event occurs or becomes known to The Property Franchise Group before despatch of this document or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

The irrevocable undertaking in respect of Nigel Wray shall lapse if, *inter alia*:

- the Scheme does not become Effective or, as applicable the Takeover Offer lapses or is withdrawn in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- a person, other than The Property Franchise Group, announces a firm intention to make a competing offer to acquire the entire issued share capital of Hunters (however structured), which is on terms *inter alia* which represent an improvement (in the reasonable opinion of Hunters' financial adviser) of ten per cent. of the Offer Price (a "Competing Offer") by no later than 11:59 p.m. on a date that is 7 days after the Announcement Date and The Property Franchise Group has not, on or before 11:59 p.m. on the fourteenth day after the date of the announcement of such Competing Offer announced a new, increased or revised offer which is equal to or exceeds such Competing Offer in the reasonable opinion of Hunters' financial adviser.

TPFG Directors

The following TPFG Directors have given irrevocable undertakings in respect of their entire beneficial holdings (and the beneficial holdings which are under their control) of TPFG Shares to vote or procure votes in favour of the TPFG Resolution to be proposed at the TPFG General Meeting, amounting in aggregate to 8,317,350 TPFG Shares, representing approximately 32.2 per cent. of The Property Franchise Group's existing issued ordinary share capital as at the Latest Practicable Date:

Name	Number of TPFG Shares	% of TPFG Shares in issue
Richard Martin	8,039,950	31.1%
Paul Latham	50,000	0.2%
David Raggett	227,400	0.9%
Total	8,317,350	32.2%

Each irrevocable undertaking listed in this paragraph shall lapse if, *inter alia*,

- any competing offer for the Hunters Shares is made which is declared wholly unconditional (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement); or
- the Acquisition is withdrawn or lapses in accordance with its terms (except where the Acquisition is withdrawn or lapses as a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the Takeover Code rather than by way of a Scheme or vice versa); or
- any event occurs or becomes known to The Property Franchise Group before despatch of this document or an offer document (as the case may be) as a result of which the Panel requires or agrees that The Property Franchise Group need not make the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time.

11. Summary of rights attached to New TPFG Shares

In this summary, reference to TPFG Shareholders includes Scheme Shareholders holding New TPFG Shares following the Acquisition. For the purpose of this paragraph "Companies Acts" has the meaning given to it in section 2 of the Companies Act.

11.1 *Variation of rights*

If at any time the share capital of The Property Franchise Group is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not The Property Franchise Group is being wound up, either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise). At every such separate general meeting the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class, or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the amount of his holding, who shall be deemed to constitute a meeting. Any holder of shares of the class present in person or by proxy may demand a poll, and each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

11.2 *Alteration of share capital*

The Property Franchise Group may by ordinary resolution:

- 11.2.1 increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- 11.2.2 consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- 11.2.3 subject to the provisions of the Companies Acts, sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the TPFG Articles and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- 11.2.4 cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

11.3 *Issue of shares*

Subject to the provisions of the Companies Acts and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as The Property Franchise Group may by ordinary resolution determine or, subject to and in default of such determination, as the TPFG Board shall determine.

11.4 *Pre-emption rights*

There are no rights of pre-emption under the TPFG Articles in respect of transfers of issued TPFG Shares. In certain circumstances, the TPFG Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in The Property Franchise Group. These statutory pre-emption rights would require The Property Franchise Group to offer new shares for allotment to existing TPFG Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the TPFG Shareholders.

11.5 *Dividends and other distributions*

Subject to the provisions of the Companies Acts, The Property Franchise Group may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the TPFG Board. Subject to the provisions of the Companies Acts, the TPFG Board may pay interim dividends if it appears to the TPFG Board that they are justified by the profits of The Property Franchise Group available for distribution.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately

to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

11.6 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

On a resolution, votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.7 *Transfer of shares*

The instrument of transfer of a share may be in any usual form or in any other form which the TPFG Board may approve and shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

All transfers of shares in uncertificated form shall be made in accordance with and be subject to the Crest Regulations.

The TPFG Board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or on which The Property Franchise Group has a lien.

The TPFG Board may also refuse to register the transfer of a share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the office or at such other place as the TPFG Board may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the TPFG Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees.

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question. The expression "recognised clearing house" means any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000.

If the TPFG Board refuses to register the transfer, it shall within two months after the date on which the instrument of transfer was lodged with The Property Franchise Group send to the transferee notice of the refusal.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the TPFG Board may determine.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

The Property Franchise Group shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the TPFG Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

11.8 *Distribution of assets on a winding-up*

If The Property Franchise Group is wound up, the liquidator may, with the sanction of a special resolution of The Property Franchise Group and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the

assets of The Property Franchise Group and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

12. No set-off of consideration

Settlement of the consideration to which any Hunters Shareholder is entitled under the Acquisition will be implemented in full in accordance with the terms of the Acquisition without regard to any lien, right of setoff, counterclaim or other analogous right to which The Property Franchise Group may otherwise be, or claim to be, entitled against such Hunters Shareholder.

13. Bases of calculations and sources of information

- 13.1 The value attributed to the existing issued ordinary share capital of Hunters is based upon the 32,814,588 Hunters Shares in issue at the date of the Announcement and at 6:00 p.m. on the disclosure date. The International Securities Identification Number for Hunters Shares is GB00BYMW5L71.
- 13.2 As at the date of the Announcement the issued ordinary share capital of The Property Franchise Group comprised 25,822,750 TPFPG Shares and at the Latest Practicable Date, the existing issued ordinary share capital of The Property Franchise Group comprised 25,822,750 TPFPG Shares. The International Securities Identification Number for TPFPG Shares is GB00BH0WFH67.
- 13.3 Unless otherwise stated, the financial information relating to the Hunters Group has been extracted or derived (without material adjustment) from the audited consolidated financial statements for the Hunters Group for the year ended 31 December 2019 and the unaudited consolidated interim financial statements for the Hunters Group for the six months ended 30 June 2020.
- 13.4 Unless otherwise stated, the financial information concerning the TPFPG Group has been extracted or derived (without material adjustment) from the audited consolidated financial statements for the TPFPG Group for the year ended 31 December 2019 and the unaudited consolidated interim financial statements for the TPFPG Group for the six months ended 30 June 2020.
- 13.5 All Closing Prices for TPFPG Share prices are closing middle market quotations derived from the AIM Appendix of the Daily Official List and represent the Closing Prices on the relevant date.
- 13.6 All Closing Prices for Hunters Share are closing middle market quotations derived from the AIM Appendix of the Daily Official List and represent the Closing Prices on the relevant date.
- 13.7 References to a percentage of Hunters Shares are based on the number of Hunters Shares in issue as set out in paragraph 13.1 above.
- 13.8 All share prices expressed in pence have been rounded to the nearest one decimal place and all percentages have been rounded to one decimal place.
- 13.9 The value of the Acquisition is calculated:
- (A) by reference to: (i) the price of 174.0 pence per TPFPG Share, being the price at the time of the approach by The Property Franchise Group to Hunters; (ii) the price of 180.5 pence per TPFPG Share, being the Closing Price on 3 December 2020, the last Business Day prior to the commencement of the Offer Period; or (iii) the price of 193.0 pence per TPFPG Share, being the Closing Price on the Latest Practicable Date; and
 - (B) on the basis of the fully diluted number of Hunters Shares in issue referred to in paragraph 13.10 below.

13.10 The number of New TPFG Shares to be issued pursuant to the Scheme, being 5,566,744, is based on (i) 32,814,588 Hunters Shares in issue as at the date of the Announcement); and (ii) there being no other issues of Hunters Shares (other than 821,333 Hunters Shares pursuant to the exercise of options under the Hunters Share Plans) between 28 January 2021 (being the date of the Announcement) and the Effective Date.

14. Acquisition-related fees and expenses

14.1 The aggregate fees and expenses which are expected to be incurred by The Property Franchise Group in connection with the Acquisition are estimated to amount to approximately £767,000 plus applicable VAT. This aggregate number consists of the following categories (in each case excluding applicable VAT):

14.1.1 financing arrangements: £100,000;

14.1.2 financial and corporate finance advice: £250,000;

14.1.3 legal advice: £285,000; and

14.1.4 accounting advice: £132,000.

14.2 The aggregate fees and expenses which are expected to be incurred by Hunters in connection with the Acquisition are estimated to amount to approximately £525,000 plus applicable VAT. This aggregate number consists of the following categories (in each case excluding applicable VAT):

14.2.1 financial and corporate finance advice: £250,000;

14.2.2 legal advice: £235,000;

14.2.3 accounting advice: £5,000;

14.2.4 public relations advice: £5,000; and

14.2.5 other costs and expenses: £30,000.

15. Ratings information

15.1 No ratings agency has publicly accorded The Property Franchise Group with any current credit rating or outlook.

15.2 No ratings agency has publicly accorded Hunters with any current credit rating or outlook.

16. Other information

16.1 Save as disclosed in this document, the Hunters Directors are not aware of any significant change in the financial or trading position of Hunters which has occurred since 30 June 2020, being the date of the end of the last financial period for which audited accounts, a preliminary statement of annual results, a half-yearly financial report or interim financial information was published by Hunters.

16.2 Save as disclosed in this document, the TPFG Directors are not aware of any significant change in the financial or trading position of The Property Franchise Group which has occurred since 30 June 2020, being the date of the end of the last financial period for which audited accounts, a preliminary statement of annual results, a half-yearly financial report or interim financial information was published by The Property Franchise Group.

16.3 Save as disclosed in this document, The Property Franchise Group is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme.

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

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

- 16.6 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Hunters Shares to be acquired by The Property Franchise Group pursuant to the Scheme will be transferred to any other person, save that The Property Franchise Group reserves the right to transfer any such Hunters Shares to any member of the TPF Group.
- 16.7 Save as disclosed in this document, no proposal exists in connection with the Acquisition that any payment or other benefit shall be made or given by The Property Franchise Group to any Hunters Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 16.8 The financial information on the TPF Group contained in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. Statutory accounts of The Property Franchise Group for each of the two years ended, respectively, on 31 December 2018 and 2019 have been delivered to the Registrar of Companies for England and Wales. The auditors of The Property Franchise Group have made reports on each of these statutory accounts which were unqualified as defined by section 495 of the Companies Act and which did not contain any statements made under section 498(2) or (3) of the Companies Act.
- 16.9 The financial information on the Hunters Group contained in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. Statutory accounts of Hunters for each of the three years ended, respectively, on 31 January 2017, 2016 and 2015 have been delivered to the Registrar of Companies for England and Wales. The auditors of Hunters have made reports on each of these statutory accounts which were unqualified as defined by section 495 of the Companies Act and which did not contain any statements made under section 498(2) or (3) of the Companies Act.
- 16.10 Except with the consent of the Panel, settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which The Property Franchise Group may otherwise be, or claim to be entitled, against such shareholder.
- 16.11 A person who has received this document in electronic form or by means of a website publication may request that a hard copy of this document be sent to him or her by contacting Hunters' Registrar, Neville Registrars, by telephone on 0121 585 1131 (from within the UK) or +44 121 585 1131 (from outside the UK). If requested, copies will be provided, free of charge, within two Business Days of the request. Such person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form by contacting Neville Registrars at the above details. Hard copies of such documents will not be sent to such persons unless so requested. Calls to Hunters' Registrar are chargeable at your network providers' standard rate, and may be included in your prepaid/free national numbers plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates.

17. Documents available for inspection

- 17.1 Copies of the following documents have been, or will be on the date of this document, published on Hunters' website at www.hunters.com/other-services/investor-relations will be available until the end of the Offer Period:
- 17.1.1 the existing articles of association of Hunters;
- 17.1.2 the new articles of association of Hunters, as amended pursuant to paragraph 1.3 of the Special Resolution;
- 17.1.3 the consent letters referred to in paragraphs 16.4 and 16.5 of this Appendix III;
- 17.1.4 copies of the irrevocable undertakings referred to in paragraph 10 of this Appendix III and Part I of this document;
- 17.1.5 the confidentiality agreement dated 16 December 2019 between Hunters and The Property Franchise Group; and
- 17.1.6 this document and the Forms of Proxy.

17.2 Copies of the following documents have been, or will be on the date of this document, published on The Property Franchise Group's website www.thepropertyfranchisegroup.co.uk/ investors and will be available until the end of the Offer Period:

17.2.1 the Announcement;

17.2.2 the articles of association of The Property Franchise Group;

17.2.3 the TPFPG Facilities Agreement referred to in paragraph 7.2.1 of this Appendix III;

17.2.4 the consent letters referred to in paragraphs 16.4 and 16.5 of this Appendix III;

17.2.5 copies of the irrevocable undertakings referred to in paragraph 10 of this Appendix III and Part I of this document;

17.2.6 the confidentiality agreement dated 16 December 2019 between Hunters and The Property Franchise Group; and

17.2.7 this document.

18. Incorporation by reference

18.1 Parts of other documents are incorporated by reference in, and form part of, this document.

18.2 Appendix IV of this document sets out which sections of such documents are incorporated into this document.

Dated: 10 February 2021

APPENDIX IV

FINANCIAL INFORMATION

The following sets out financial information in respect of the Hunters Group and the TPF Group as required by Rule 24.3 of the Takeover Code. The documents (or parts thereof) referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code. Hunters Shareholders, Hunters Share Plan Participants and other persons to whom this document is sent by Hunters may request a copy of the information below in hard copy form free of charge by contacting Hunters' Registrar, Neville Registrars, on 0121 585 1131 (or, if calling from outside the UK, on +44 121 585 1131) between 9:00 a.m. and 5:00 p.m. Monday to Friday (excluding bank or public holidays). You will need to state your name and specify the address to which the hard copy should be sent.

Calls to Hunters' Registrar number are chargeable at your network provider's standard rate, and may be included in your prepaid/free national numbers. Calls to +44 121 585 1131 from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Proposals or their merits, not any legal, taxation or financial advice, can be given. It is important that you note that unless you make such a request, a hard copy of the information incorporated by reference in this document will not be sent to you.

Hunters

- The audited accounts of Hunters for the financial year ended 31 December 2019 are set out on pages 35 to 68 of the 2019 Annual Report and Accounts, available from Hunters' website at www.hunters.com/other-services/investor-relations.
- The audited accounts of Hunters for the financial year ended 31 December 2018 are set out on pages 33 to 67 of the 2018 Annual Report and Accounts, available from Hunters' website at www.hunters.com/other-services/investor-relations.
- The interim results of Hunters for the six months ended 30 June 2020, available from Hunters' website at www.hunters.com/other-services/investor-relations.

The Property Franchise Group

- The audited accounts of The Property Franchise Group for the financial year ended 31 December 2019 are set out on pages 33 to 67 (inclusive) in the 2019 Annual Report and Accounts available from The Property Franchise Group's website at www.thepropertyfranchisegroup.co.uk/investors.
- The audited accounts of The Property Franchise Group for the financial year ended 31 December 2018 are set out on pages 33 to 65 (inclusive) in the 2018 Annual Report and Accounts available from The Property Franchise Group's website at www.thepropertyfranchisegroup.co.uk/investors.
- The interim results of The Property Franchise Group for the six months ended 30 June 2020, are available from The Property Franchise Group's website at www.thepropertyfranchisegroup.co.uk/investors.

Ratings Information

No rating agency has publicly recorded any credit rating for either Hunters or The Property Franchise Group.

No incorporation of website information

Save as expressly referred to herein, neither the content of The Property Franchise Group or Hunters' websites, nor the content of any website accessible from hyperlinks on The Property Franchise Group's or Hunters' website, is incorporated into, or form part of, this document.

APPENDIX V

DEFINITIONS

The following definitions apply throughout this document (with the exception of Part III) unless the context requires otherwise:

“Acquisition”	means the recommended cash and share acquisition by The Property Franchise Group of Hunters pursuant to which The Property Franchise Group will acquire the entire issued and to be issued share capital of Hunters (other than Hunters Shares already held by the TPF Group) to be implemented by way of the Scheme or (should The Property Franchise Group so elect, subject to the consent of the Panel (where necessary)) by way of a Takeover Offer;
“AIM”	AIM, a market of that name operated by the London Stock Exchange;
“AIM Rules”	the rules and guidance notes for AIM companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
“Announcement”	the joint announcement made pursuant to Rule 2.7 of the Takeover Code by The Property Franchise Group and Hunters on the Announcement Date of the terms of the acquisition of Hunters by The Property Franchise Group;
“Announcement Date”	28 January 2021;
“Business Day”	any day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London (other than solely for settlement and trading in Euro);
“Cenkos”	Cenkos Securities plc, which is acting as nominated adviser and financial adviser to The Property Franchise Group in relation to the Acquisition;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Closing Price”	the middle market price of a TPF Share or a Hunters Share (as appropriate) at 6:00 p.m. on the day to which such price relates, as derived from the AIM appendix to the Daily Official List;
“CMA”	the UK statutory body established under the UK Enterprise and Regulatory Reform Act 2013;
“CMA Merger Investigation”	an investigation by the CMA on and to determine whether to make a reference under Article 33 of the Enterprise Act 2002;
“CMA Phase 2 Reference”	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 (as amended) of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (as amended);
“Companies Act”	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
“Conditions”	the conditions to the implementation of the Acquisition which are set out in Appendix I to this document;
“Court”	the High Court of Justice in England and Wales;

“Court Meeting”	the meeting of the Hunters Shareholders convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve (with or without modification) the Scheme, and any adjournment thereof, notice of which is contained in this document;
“CREST”	the system operated by Euroclear for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
“Daily Official List”	the daily official list of the London Stock Exchange;
“Disclosed”	means fairly disclosed (i) in the interim results of Hunters for the six months to 30 June 2020; or (ii) in the Announcement; or (iii) via a Regulatory Information Service prior to the date hereof by or on behalf of Hunters; or (iv) in writing prior to the date of the Announcement by or on behalf of Hunters to The Property Franchise Group, or its financial, accounting or legal advisers (specifically as The Property Franchise Group’s advisers in relation to the Acquisition) before the date of the Announcement;
“Effective”	means: <ul style="list-style-type: none"> (a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Code;
“Effective Date”	the date on which the Acquisition becomes Effective;
“Enlarged Company”	The Property Franchise Group, immediately following the Acquisition becoming Effective;
“Enlarged Group”	the TPF Group, including the Hunters Group, following the Acquisition becoming Effective;
“Euroclear”	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 2878738;
“Excluded Shares”	any Hunters Shares which: <ul style="list-style-type: none"> (a) are registered in the name of or beneficially owned by The Property Franchise Group or its nominee(s) or any subsidiary undertaking of The Property Franchise Group or its nominee(s); or (b) are held in treasury (unless such Hunters Shares cease to be so held);
“FCA” or “Financial Conduct Authority”	the UK Financial Conduct Authority or its successor from time to time;
“Form(s) of Proxy”	either or both of the blue form of proxy for use at the Court Meeting and the white form of proxy for use at the General Meeting enclosed with this document when being sent to Hunters Shareholders;
“FSMA”	the Financial Services and Markets Act 2000;
“General Meeting”	the general meeting of Hunters scheduled to be held immediately following the Court Meeting and any adjournment thereof to be convened in connection with the implementation of the Scheme;

“holder”	a registered holder and includes any person entitled by transmission;
“Hunters” or the “Company”	Hunters Property plc, a public limited company incorporated in England and Wales with company number 09448465 with its registered office at Apollo House, Eboracum Way, Heworth Green, York YO31 7RE;
“Hunters Articles”	the articles of association of Hunters as at the date of this document;
“Hunters Board”	the Board of Hunters;
“Hunters Directors”	the directors of Hunters;
“Hunters Group”	Hunters and its subsidiary undertakings and, where the context permits, each of them;
“Hunters’ Registrar”	Neville Registrars, of Neville House, Steelpark, Halesowen B62 8HD;
“Hunters Share Plans”	together the Hunters Property Senior Executive Share Option Scheme (dated 18 December 2015, as amended), the Hunters Property Employee Share Option Scheme (dated 18 December 2015), options over Hunters Shares granted in 2015 replacing options originally granted in 2013 and 2015 over shares in Hunters Property Group Limited and a standalone option granted by Hunters evidenced by a share option agreement dated 28 January 2016;
“Hunters Share Plan Participants”	the participants in the Hunters Share Plans or any of them;
“Hunters Shareholders”	holders of Hunters Shares;
“Hunters Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 4 pence each in the capital of Hunters and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective and a “Hunters Share” shall mean any one of them;
“Latest Practicable Date”	close of business on 8 February 2021 being the latest practicable date before publication of this Document;
“Lender”	Barclays Bank PLC;
“London Stock Exchange”	London Stock Exchange plc;
“Long Stop Date”	11:59 p.m. on 28 May 2021, or such later date, if any, as The Property Franchise Group and Hunters may agree, and if required the Court and the Panel may allow;
“Lumi”	Lumi AGM UK Limited;
“Market Abuse Regulation”	the UK version of the Market Abuse Regulation (EU) (No 596/2014) as brought into UK law through the European Union (Withdrawal) Act 2018, as amended;
“Meetings”	the Court Meeting and the General Meeting;
“New Articles”	the Hunters Articles, as amended by the Special Resolution;
“New TPFG Shares”	the TPFG Shares to be issued fully paid to Scheme Shareholders pursuant to the Scheme (and any other Hunters Shareholders whose Hunters Shares are issued after the Scheme becomes Effective);

“Offer Period”	the offer period (as defined in the Takeover Code) relating to Hunters, which commenced on 4 December 2020 (as extended by agreement with the Panel by way of an extension notification dated 29 December 2020 and a subsequent extension notification dated 22 January 2021) and which will end on (i) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Takeover Offer has become or has been declared unconditional as to acceptances and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is a result of The Property Franchise Group exercising its right to implement the Acquisition by way of a Takeover Offer;
“Offer Price”	72 pence per Hunters Share;
“Panel”	The Panel on Takeovers and Mergers;
“Pounds” or “£” or “pence” or “p”	the lawful currency of the United Kingdom;
“Proposals”	the Acquisition, the Scheme and the resolutions to be proposed at the Meetings in connection herewith;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulatory Information Service” or “RIS”	a regulatory information service that is approved by the FCA and is on the list of Regulatory Information Services maintained by the FCA;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Hunters Shareholders in that jurisdiction;
“Restricted Overseas Person”	a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, or any person whom The Property Franchise Group believes to be in, or resident in, a Restricted Jurisdiction (or any custodian, nominee or trustee for such persons) and any person in any other jurisdiction (other than persons in the UK) whom The Property Franchise Group is advised to treat as a restricted overseas person in order to observe the laws of such jurisdiction or to avoid the requirement to comply with any governmental or other consent or any registration, filing or other formality which The Property Franchise Group regards as unduly onerous;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the Companies Act between Hunters and the Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Hunters and The Property Franchise Group;
“Scheme Court Order”	the order of the Court sanctioning the Scheme;
“Scheme Document”	this circular dated 10 February 2021 containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act, sent by Hunters to Hunters Shareholders and persons with information rights;
“Scheme Record Time”	6:00 p.m. on the Business Day before the Effective Date;

“Scheme Sanction Hearing”	the hearing of the Court to sanction the Scheme;
“Scheme Shareholders”	registered holders of Scheme Shares from time to time;
“Scheme Shares”	<p>the Hunters Shares:</p> <p>(a) in issue at 6:00 p.m. on the date of the Scheme Document;</p> <p>(b) (if any) issued after 6:00 p.m. on the date of the Scheme Document and before the Voting Record Time; and</p> <p>(c) (if any) issued at or after the Voting Record Time and at or before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such shares are, or shall have agreed in writing to be, bound by the Scheme,</p> <p>in each case remaining in issue at the Scheme Record Time but excluding any Excluded Shares;</p>
“Significant Interest”	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
“SPARK”	SPARK Advisory Partners Limited, which is acting as financial adviser to Hunters for the purposes of Rule 3 of the Takeover Code in relation to the Acquisition and as nominated adviser and corporate broker to Hunters;
“Special Dividend”	the special interim dividend of 2.7 pence per Hunters Share declared by the Hunters Directors on 10 February 2021 and payable on 12 March 2021 to Hunters Shareholders or the register of members as at the close of business on 5 March 2021;
“Special Resolution”	the special resolution to be proposed at the General Meeting in connection with, <i>inter alia</i> , the approval of the Scheme;
“subsidiary” and “subsidiary undertaking”	have the meanings given to them in the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Takeover Offer”	a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act;
“Third Party”	a central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body or authority, court, stock exchange, trade agency, professional association, institution, employee representative body or any other body or person whatsoever in any jurisdiction;
“The Property Franchise Group”	The Property Franchise Group plc, a public limited company incorporated in England and Wales with company number 08721920 with its registered office at 2 St Stephen’s Court, St Stephen’s Road, Bournemouth, Dorset BH2 6LA;
“TPFG Articles”	the articles of association of The Property Franchise Group in force from time to time;
“TPFG Board”	the Board of The Property Franchise Group;
“TPFG Circular”	the circular to be published by The Property Franchise Group and to be sent to TPFG Shareholders including the notice convening the TPFG General Meeting to approve the issue of New TPFG Shares in connection with the Acquisition;

“TPFG Directors”	the directors of The Property Franchise Group at the date of this document;
“TPFG Facilities Agreement”	The Property Franchise Group’s debt facility with the Lender, which will be utilised to finance the cash consideration payable under the Acquisition, as provided for within an amended and restated facilities agreement with the Lender dated 27 January 2021;
“TPFG General Meeting”	the general meeting of The Property Franchise Group (including any adjournment thereof) expected to be held on 3 March 2021 to be convened to consider and, if thought fit, approve the TPFG Resolution;
“TPFG Group”	The Property Franchise Group and its subsidiary undertakings and, where the context permits, each of them;
“TPFG Resolution”	the resolution to be proposed to TPFG Shareholders at the TPFG General Meeting to approve the issue and allotment of the New TPFG Shares in connection with the Acquisition;
“TPFG Shareholders”	the holders of TPFG Shares;
“TPFG Shares”	ordinary shares of 1 pence each in the capital of The Property Franchise Group;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	registered as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States” or “United States of America”	the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia;
“US Exchange Act”	the US Securities Exchange Act of 1934;
“US Securities Act”	the US Securities Act of 1933;
“Virtual Meeting Guide”	the guide prepared by Lumi explaining how Scheme Shareholders and Hunters Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform;
“Virtual Meeting Platform”	the Lumi Virtual Meeting Platform;
“Voting Record Time”	6:00 p.m. on the day which is two Business Days immediately before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two Business Days immediately before the date fixed for the adjourned meeting;
“Wider Hunters Group”	Hunters and its subsidiaries, subsidiary undertakings associated undertakings and any other body corporate, partnership, joint venture or person in which Hunters and such undertakings (aggregating their interests) have a Significant Interest; and
“Wider TPFG Group”	The Property Franchise Group and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which The Property Franchise Group and all such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this document, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the meanings given to them by the Companies Act (but for this purpose ignoring paragraph 19(1)(b) of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008).

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

APPENDIX VI

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)
INSOLVENCY AND COMPANIES COURT
DEPUTY JUDGE FRITH

CR – 2021 – 000026

IN THE MATTER OF HUNTERS PROPERTY PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 8 February 2021 made in the above matter, the Court has given Hunters Property plc (the “**Company**”) permission to convene a meeting (the “**Court Meeting**”) of the holders of Scheme Shares as at the Voting Record Time (each as defined in the scheme of arrangement (referred to below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) pursuant to part 26 of the Companies Act 2006 (the “**Act**”) proposed to be made between the Company and Scheme Shareholders and that such meeting will be held at 10:30 a.m. on 5 March 2021, at Apollo House, Eboracum Way, York YO31 9JX (the “**Court Meeting**”).

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Act are incorporated in the document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by way of poll, which shall be conducted as the Chairperson of the Court Meeting may determine.

Covid-19 Restrictions

At the time of publication of this notice, the UK Government has prohibited large public gatherings, save in certain limited circumstances, and has prohibited non-essential travel. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, and in order to protect the health and safety of shareholders and the directors, we hope that shareholders will understand that Scheme Shareholders and other attendees will not be permitted to attend the Court Meeting in person, save for the Chairperson and anyone else nominated by the Chairperson in order to establish a quorum and/or as appropriate in order to assist with the conduct of the Court Meeting.

Scheme Shareholders are strongly encouraged to appoint the Chairperson of the Court Meeting as their proxy. If any other person is appointed as proxy, he or she will not be permitted to attend the Court Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the Court Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the “**Virtual Meeting Platform**”), further details of which are set out below.

The COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the Court Meeting will be communicated to Scheme Shareholders before the Court Meeting, including through our website www.hunters.com and by announcement through a Regulatory Information Service.

Instructions for accessing the Virtual Meeting Platform

Scheme Shareholders will be given the opportunity to remotely attend, submit written questions and/or objections and vote at the Court Meeting via the Virtual Meeting Platform.

Scheme Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To remotely attend, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com> and follow the instructions set out below.

Alternatively, Scheme Shareholders can access the Virtual Meeting Platform by downloading the latest version of the Lumi AGM application (the “App”) onto their smartphone device. The App is available in native application format (Android and iOS devices only) and can be downloaded from the Google Play Store™ Market or the Apple® App Store by searching by the application name “Lumi AGM”. If you have previously downloaded the App, please ensure you are using the latest version by checking the status in the Google Play Store™ Market or the Apple® App Store. Please be aware that the App does not support Android 4.4 (or below) or iOS 9 (or below).

Once you have accessed <https://web.lumiagm.com> from your web browser, or downloaded the App, you will be asked to enter the Lumi Meeting ID which is 140-394-999. You will then be prompted to enter your unique Neville User Code (“**NUC**”) and PIN. These can be found printed on the Forms of Proxy. Access to the Meetings via the website or App will be available from 10:15 a.m. on 5 March 2021, as further detailed below. If you are unable to access your NUC and PIN, please call Hunters’ Registrar between 9:00 a.m. and 5:00 p.m. Monday to Friday (except UK public holidays) on 0121 585 1131. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Hunters’ Registrar cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice. Hunters’ Registrar is unable to provide any technical assistance in relation to the Virtual Meeting Platform.

If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

Access to the Meetings will be available from 10:15 a.m. on 5 March 2021, although the voting functionality will not be enabled until the Chairperson of the Court Meeting declares the poll open. Scheme Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Hunters Directors during the course of the Court Meeting and can use the same function to submit any written objections they may have to the Scheme. The Chairperson of the Court Meeting will ensure that all such questions and/or any objections relating to the formal business of the Court Meeting are addressed during the Court Meeting, unless no response is required to be provided under the Act or the provision of a response would, at the Chairperson’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Court Meeting.

During the Court Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and/or any objections and vote when the Chairperson commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Court Meeting via your wireless or other internet connection. The Virtual Meeting Guide contains further information on remotely accessing and participating in the Court Meeting via the Virtual Meeting Platform and is available on Hunters’ website at www.hunters.com/other-services/investor-relations.

Right to Appoint a Proxy; Procedure for Appointment

Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST and in limited circumstances by email) set out below. Scheme Shareholders are also encouraged to appoint the Chairperson of the Court Meeting as their proxy. If any other person is appointed as proxy, he or she will not be permitted to attend the Court Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the Court Meeting remotely via the Virtual Meeting Platform as described above.

The completion and return of the blue Form of Proxy by post (or transmission of a proxy appointment or voting instruction online or electronically through CREST or by any other procedure described below) will not prevent you from remotely attending, submitting written questions and/or any objections and voting at the Court Meeting, in each case via the Virtual Meeting Platform, if you are entitled to and wish to do so.

A blue Form of Proxy for use at the Court Meeting is enclosed with this notice. Instructions for its use are set out on the blue Form of Proxy. It is requested that the blue Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to Hunters' Registrar, Neville Registrars, by post to Hunters' Registrar at Neville House, Steelpark Road, Halesowen B62 8HD so as to be received as soon as possible and not later than 10:30 a.m. on 3 March 2021 or, in the case of an adjournment of the Court Meeting, 48 hours before the time appointed for the adjourned Court Meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any adjourned Court Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, a scanned copy may be emailed after that time to info@nevilleregistrars.co.uk at any time prior to the commencement of the Court Meeting. Please note that any blue Forms of Proxy sent to this email address before 10:30 a.m. on 3 March 2021 may be discounted as invalid.

As an alternative to completing and returning the printed blue Form of Proxy, proxies may be appointed electronically by logging on to www.sharegateway.co.uk and completing the authentication requirements as set out on the blue Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received not later than 48 hours (excluding any part of such 48 hour period falling on any day which is not a working day) before the time fixed for the Court Meeting or any adjournment thereof. In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the blue Form of Proxy may be emailed after that time to info@nevilleregistrars.co.uk at any time prior to the commencement of the Court Meeting. Please note that any blue Forms of Proxy sent to this email address before 10:30 a.m. on 3 March 2021 may be discounted as invalid.

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether remotely by the Virtual Meeting Platform remotely (via the Virtual Meeting Platform) or by proxy, at the Court Meeting. However, the vote of the senior who tenders a vote whether remotely (via the Virtual Meeting Platform) or by proxy will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the blue Form of Proxy to allow Scheme Shareholders to specify the number of Scheme Shares in respect of which that proxy is appointed. A Scheme Shareholder who returns the blue Form of Proxy duly executed but leaves this space blank or specifies a number of Scheme Shares (as defined in the Scheme) in excess of those held by that Scheme Shareholder at the time referred to below will be deemed to have appointed the proxy in respect of all of his or her Scheme Shares. To appoint more than one proxy, please photocopy the blue Form of Proxy indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed and follow the instructions set out in the blue Form of Proxy.

It is requested that Forms of Proxy (together with any power of attorney or authority under which they are signed, or a notarially certified copy of such power of attorney or authority) be lodged by post or, during normal business hours only, by hand with Hunters' Registrar at Neville House, Steelpark Road, Halesowen B62 8HD not less than 48 hours before the time appointed for the Court Meeting (excluding any day which is not a Business Day).

Holders of Scheme Shares entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy through the CREST electronic proxy appointment service. Proxies submitted using the CREST Proxy Voting Service must be transmitted so as to be received (under CREST ID **7RA11**) not later than 10:30 a.m. on 3 March 2021 or (as the case may be) no later than 48 hours prior to the time and date fixed for such adjourned meeting (excluding any day which is not a Business Day). The time of receipt will be taken to be the time from which Hunters' Registrar is able to retrieve the message by enquiry to CREST. If the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be emailed after that time to info@nevilleregistrars.co.uk at any time prior to the commencement of the Court Meeting. Please

note that any blue Forms of Proxy sent to this email address before 10:30 a.m. on 3 March 2021 may be discounted as invalid.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the CREST Regulations.

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may vote by a corporate representative remotely (via the Virtual Meeting Platform) in accordance with the Act.

Entitlement to attend and vote at the Court Meeting, or any adjournment thereof, and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6:00 p.m. on 3 March 2021 or 6:00 p.m. on the day which is two Business Days (as defined in the Scheme) immediately before the date fixed for the adjourned meeting (as the case may be) (in each case excluding any day which is not a Business Day). In each case, changes to the register of members of the Company after such time will be disregarded in determining the rights of any person to attend or vote at the Meeting or any adjournment thereof. Voting at the Court Meeting will be conducted as a poll rather than show of hands. Each Scheme Shareholder present at this meeting (by proxy or remotely (via the Virtual Meeting Platform)) will be entitled to one vote for every Scheme Share registered in his or her name and each corporate representative or proxy will be entitled to one vote for each Scheme Share which he/she represents.

By the said Order, the Court has appointed Glynis Joan Frew or, failing her, Edward Anthony Jones or, failing him, Kevin Paul Hollinrake to act as chairperson of the Court Meeting and has directed the Chair to report the result thereof to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Dated 10 February 2021

DWF Law LLP

Bridgewater Place, Water Lane, Leeds

Solicitors for the Company

APPENDIX VII
NOTICE OF GENERAL MEETING
HUNTERS PROPERTY PLC

(Registered in England and Wales No. 09448465)

NOTICE IS HEREBY GIVEN that a General Meeting (“**General Meeting**”) of Hunters Property plc (the “**Company**”) will be held at Apollo House, Eboracum Way, York YO31 9JX on 5 March 2021 at 11:00 a.m. (or, if later, as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution of the shareholders of the Company:

SPECIAL RESOLUTION

1. THAT for the purpose of giving effect to the scheme of arrangement dated 10 February 2021 between the Company and the Scheme Shareholders (as defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairperson thereof in its original form or subject to such modification, addition or condition approved or imposed by the Court and agreed to by the Company and The Property Franchise Group plc (“**TPFG**”) (the “**Scheme**”):
 - 1.1 the Scheme be and is hereby approved;
 - 1.2 the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
 - 1.3 with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new Article 46A:

“SCHEME OF ARRANGEMENT

46A.1 In this Article, references to the “**Scheme**” are to the scheme of arrangement referred to in the circular dated 10 February 2021 (the “**Scheme Document**”) under Part 26 of the 2006 Act between the Company and the Scheme Shareholders (as defined in the Scheme (in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and The Property Franchise Group plc (“**The Property Franchise Group**”) (which expression shall include any other name The Property Franchise Group may adopt from time to time)) and, save as defined in this Article, expressions defined in the Scheme or, if not so defined in the Scheme, defined in the Scheme Document of which the Scheme formed part, shall have the same meanings in this Article 46A.

46A.2 Notwithstanding any other provision of these Articles, if the Company issues any shares (other than to The Property Franchise Group and/or a subsidiary of The Property Franchise Group (or a nominee for any of them)) after the adoption of this Article 46A but on or before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes of the Scheme and the new member and any subsequent holder or holders of such shares shall be bound by the Scheme accordingly.

46A.3 Subject to the Scheme becoming Effective and notwithstanding any other provision of these Articles other than Article 46A.4, if the Company issues any shares to any person (a “**New Member**”) (other than under the Scheme or to The Property Franchise Group or its nominee(s) and/or a subsidiary of The Property Franchise Group (or a nominee for any of them) after the Scheme Record Time (the “**Post-Scheme Shares**”), such New Member (or any subsequent holder, personal representative or any nominee of such New Member or any such subsequent holder or personal representative) will immediately transfer the Post-Scheme Shares to The Property Franchise Group (or to

such other person as it may direct) in consideration of the payment by The Property Franchise Group of in the case of Post-Scheme Shares such an amount in cash and the allotment and issue or transfer by The Property Franchise Group to the New Member of such number of New TPFG Shares for each Post-Scheme Share as that New Member would have been entitled to under the Scheme (save that Article 46A.6 shall apply in respect of fractional entitlements) for those Post-Scheme Shares provided that, if such New Member has a registered address in a jurisdiction outside the United Kingdom or whom The Property Franchise Group or the Company believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom or to whom The Property Franchise Group is advised that the allotment and/or issue of New TPFG Shares pursuant to this Article would or may infringe the laws of such jurisdiction or would or may require The Property Franchise Group to comply with any governmental or other consent or any registration, filing or other formality with which The Property Franchise Group is unable to comply or compliance with which The Property Franchise Group regards as unduly onerous, The Property Franchise Group may, in its sole discretion, determine that such New TPFG Shares shall not be transferred or allotted or issued and instead the New Member will receive an amount in cash equal to the net proceeds of sale of the New TPFG Shares that would otherwise have been transferred or allotted and issued to the New Member.

46A.4 The cash payment per Post-Scheme Share to be paid, and the number of New TPFG Shares to be allotted and issued or transferred, pursuant to Article 46A.3 may be adjusted by the directors of the Company, in such manner as the auditors of the Company may determine, on any reorganisation of or material alteration to the share capital of either the Company or The Property Franchise Group (including, without limitation, any subdivision and/or consolidation or a rights issue) effected after 6:00 p.m. on the Effective Date. References in this Article to shares and Post-Scheme Shares shall, following such adjustment, be construed accordingly.

46A.5 No amounts of cash of less than one pence shall be paid to any person pursuant to this Article, and such cash amount to which a person would otherwise have become entitled shall be rounded down to the nearest whole penny, which may be zero.

46A.6 No fractions of New TPFG Shares shall be allotted or issued to any New Member pursuant to this article and, instead, the aggregate number of New TPFG Shares to which a Scheme Shareholder shall be entitled under Article 46A.3 shall be rounded down to the nearest whole number of New TPFG Shares. All fractions to which, but for this Article 46A.6, New Members would have become entitled shall be aggregated and allotted and issued to the person appointed by The Property Franchise Group as nominee for such New Members and sold in the market as soon as practicable after the Effective Date. The net proceeds of sale (after deduction of broking fees and other sales costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) shall be paid in due proportions in due course to such New Members who would otherwise have been entitled to such fractions provided that individual entitlements to amounts of less than £5.00 will not be paid but will instead be retained for the benefit of The Property Franchise Group.

46A.7 To give effect to any transfer required by Article 46A.3 above, the Company may appoint any person as attorney and/or agent for the holder of such shares in the capital of the Company (the "**Relevant Holder**") (or any subsequent holder, personal representative or any nominee of such Relevant Holder or any such subsequent holder or personal representative) to transfer the ordinary shares concerned to The Property Franchise Group and/or its nominee(s) and/or subsidiary and do all such other things and execute and deliver (in the attorney's or agent's name or otherwise) all such documents as may in the opinion of the attorney and/or agent be necessary or desirable to transfer the shares concerned to The Property Franchise Group (or such other person, as it may direct) and pending such transfer to exercise all such rights attaching to the shares concerned as The Property Franchise Group may direct. If an attorney and/or agent is so appointed, the Relevant Holder shall not thereafter (except to the extent that the attorney and/or agent fails to act in accordance with the directions of The Property Franchise Group) be entitled to exercise any rights attaching to the shares concerned unless so

agreed by The Property Franchise Group. The attorney and/or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the Relevant Holder (or any subsequent holder, personal representative or any nominee of such Relevant Holder or any subsequent holder or personal representative) in favour of The Property Franchise Group and/or its nominee(s) and/or subsidiary and the Company may give a good receipt for the consideration provided for the shares concerned and may register (The Property Franchise Group or such other person, as it may direct) as holder thereof and issue to the person certificates for the same. The Company shall not be obliged to issue a certificate to the Relevant Holder (or any subsequent holder, personal representative or any nominee of such Relevant Holder or any subsequent holder or personal representative) for the shares concerned. The Property Franchise Group shall allot, issue or Transfer to the Relevant Holder any New TPF Group Shares and send a cheque drawn on a UK clearing bank with respect to any cash consideration, in each case required by Article 46A.3, within 14 days after the transfer of the shares to The Property Franchise Group (or such person as it may direct).

46A.8 Notwithstanding any other provision of these Articles, neither the Company nor the directors shall allot or issue any shares between the Scheme Record Time and the Effective Date, or register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.

46A.9 If the Scheme shall not have become Effective by the Long Stop Date (as defined in the Scheme); this Article 46A shall be of no effect.”; and

- 1.4 subject to and conditional upon the Scheme becoming Effective, pursuant to the provisions of the Companies Act 2006 (i) the Company be re-registered as a private limited company under the name of “Hunters Property Limited”; and (ii) the articles of association of the Company be amended as follows: (a) references to “Hunters Property plc” as the name of the Company be amended to “Hunters Property Limited”; and (b) the statement that the Company is a public company limited by shares be amended to state that the Company is a private company limited by shares, each with effect from the date that the re-registration of the Company is approved by the Registrar of Companies.

By order of the Board

Ed Jones
Company Secretary

Registered office:

Apollo House
Eboracum Way
Heworth Green
York
YO31 7RE

Dated 10 February 2021

Notes: COVID-19 Restrictions

The Hunters Board notes the measures issued by the UK Government in view of the ongoing COVID-19 pandemic. At the time of publication of this notice, the UK Government has prohibited large public gatherings, save in certain limited circumstances, and has prohibited non-essential travel. In light of these measures, together with the uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government, and in order to protect the health and safety of the Hunters Shareholders and Hunters Directors be permitted to attend the General Meeting in person, save for the Chairperson and anyone else nominated by the Chairperson in order to establish a quorum.

Hunters Shareholders are strongly encouraged to appoint the Chairperson of the General Meeting as their proxy. If any other person is appointed as proxy, he or she will not be permitted to attend the General Meeting in person, but will be able to attend, submit written questions and vote at the General Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the “**Virtual Meeting Platform**”), further details of which are set out below. The COVID-19 situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of shareholder meetings during the affected period. Any changes to the arrangements for the General Meeting will be communicated to Hunters Shareholders before the General Meeting, including through our website www.hunters.com/other-services/investor-relations and by announcement through a Regulatory Information Service.

(1) Instructions for Virtual Meeting Platform

Hunters Shareholders will be given the opportunity to remotely attend, submit written questions and vote at the General Meeting via the Virtual Meeting Platform.

Hunters Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To remotely attend, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com> and follow the instructions set out below.

Alternatively, Hunters Shareholders can access the Virtual Meeting Platform by downloading the latest version of the Lumi AGM application (the “App”) onto their smartphone device. The App is available in native application format (Android and iOS devices only) and can be downloaded from the Google Play Store™ Market or the Apple® App Store by searching by the application name “Lumi AGM”. If you have previously downloaded the App, please ensure you are using the latest version by checking the status in the Google Play Store™ Market or the Apple® App Store. Please be aware that the App does not support Android 4.4 (or below) or iOS 9 (or below).

Once you have accessed <https://web.lumiagm.com> from your web browser, or downloaded the App, you will be asked to enter the Lumi Meeting ID which is 140-394-999. You will then be prompted to enter your unique Neville User Code (“NUC”) and PIN. These can be found printed on the Forms of Proxy. Access to the General Meeting via the website or App will be available from 10:15 a.m. on 5 March 2021, as further detailed below. If you are unable to access your NUC and PIN, please call Hunters’ Registrar between 9:00 a.m. and 5:00 p.m. Monday to Friday (except UK public holidays) on 0121 585 1131. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Hunters’ Registrar cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice. Hunters’ Registrar is unable to provide any technical assistance in relation to the Virtual Meeting Platform.

If Hunters Shareholders encounter any difficulties accessing the Meetings through the Virtual Meeting Platform they may contact an email helpline at hunters@lumiglobal.com. Please note that this email address will only be monitored between 10:15 a.m. on 5 March 2021 and the conclusion of the Meetings.

Access to the General Meeting will be available from 10:15 a.m. on 5 March 2021, although the voting functionality will not be enabled until the Chairperson of the General Meeting declares the poll open. Hunters Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Hunters Directors during the course of the General Meeting. The Chairperson of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairman’s discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

During the General Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the General Meeting via your wireless or other internet connection. The Virtual Meeting Guide contains further information on remotely accessing and not participating in the General Meeting via the Virtual Meeting Platform and is available on Hunters’ website at www.hunters.com/other-services/investor-relations.

- (2) A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
- (3) A white form of proxy is enclosed with this notice. Instructions for use are shown on the form. Lodging a white form of proxy will not prevent the member from attending and voting remotely via the Virtual Meeting Platform.
- (4) To be valid, the white form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be received at the offices of Hunters’ Registrar at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD not later than 48 hours before the time of the meeting or, as the case may be, the adjourned meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any Meeting or adjourned Meeting. Completion and return of a proxy form will not prevent a member from attending (remotely, via the Virtual Meeting Platform) and voting (remotely, via the Virtual Meeting Platform) at the General Meeting, or any adjournment thereof, if he wishes to do so.
- (5) As an alternative to completing and returning the printed white Form of Proxy, proxies may be appointed electronically by logging on to www.sharegateway.co.uk and completing the authentication requirements as set out on the white Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received not later than 48 hours (excluding any part of such 48 hour period falling on any day which is not a working day) before the time fixed for the Court Meeting or any adjournment thereof.
- (6) To appoint more than one proxy (to exercise rights attaching to different shares), please photocopy the white form of proxy indicating on each copy the name of the proxy you wish to appoint and the number of shares and follow the instructions set out in the white form of proxy.
- (7) Subject to the following principles where more than one proxy is appointed, where a white form of proxy does not state the number of shares to which it applies (a “blank proxy”) then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the “member’s entire holding”).
- (8) In the event of a conflict between a blank proxy and white form of proxy which does state the number of shares to which it applies (a “specific proxy”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
- (9) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (10) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (11) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (12) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), all appointments will be rendered invalid.
- (13) The “Vote Withheld” option is provided to enable you to abstain on the specified resolution. However, it should be noted that “Vote Withheld” is not a vote in law and will not be counted in the calculation of the preparation of votes “For” and “Against” the specified resolution.
- (14) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that entitlement to attend and vote at the General Meeting or any adjournment thereof, and the number of votes which may be cast

thereat, will be determined by reference to the register of members of the Company not more than 48 hours before the time of such meeting or adjourned meeting, no account being taken of any part of a day that is not a working day. Changes to the register of members after 6:00 p.m. on 3 March 2021 or, if the General Meeting is adjourned, after 6:00 p.m. on the day two Business Days immediately prior to the day fixed for the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the General Meeting.

- (15) If you submit your proxy electronically through CREST, to be valid the appropriate CREST message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received (under CREST ID **7RA11**), by no later than 11:00 a.m. on 3 March 2021 or, in the case of an adjourned Meeting, not less than 48 hours before the time of the adjourned Meeting. Any day which is not a Business Day shall not be taken into account for the purposes of calculating the deadline for returning Forms of Proxy for any Meeting or adjourned Meeting. The time of receipt will be taken to be the time from which Hunters' Registrar is able to retrieve the message by enquiry to CREST.
- (16) CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (17) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages and the normal system timings and limitations apply to the input CREST proxy instructions.
- (18) The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) of the CREST Regulations.
- (19) In the case of joint holders of shares the vote of the senior who tenders a vote, by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first named being the most senior).

