

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

15th February 2021

*To the holders of options under the Hunters Property PLC Senior Executive Share Option Scheme, Hunters Property PLC Employee Share Option Scheme and the holders of options granted in 2013 and 2015 (and replaced in 2015) and an option granted in 2016 (the **Hunters Share Plans**)*

Dear option holder

Recommended acquisition of Hunters Property PLC by The Property Franchise Group PLC

1 Introduction

- 1.1 On 28th January 2021, Hunters and The Property Franchise Group announced that agreement had been reached on the terms of a recommended cash and share acquisition by which the entire issued and to be issued ordinary share capital of Hunters will be acquired by The Property Franchise Group (the **Acquisition**).
- 1.2 The Acquisition will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**). This requires the approval of Hunters Shareholders and the sanction of the Court, as described in more detail in the Circular to Hunters Shareholders dated 10th February 2021 (the **Scheme Circular**), posted to you separately. The Scheme Circular can also be accessed at www.hunters.com/other-services/investor-relations.
- 1.3 This letter provides information on the impact of the Acquisition on the outstanding options under the Hunters Share Plans (the **Option(s)**) and the general proposal made to option holders by Hunters and The Property Franchise Group (the **Option Exercise Proposal**) in relation to the Options.
- 1.4 You should read this letter in conjunction with the Scheme Circular and the enclosed letter of instruction (the **Letter of Instruction**) which provide a general summary of the Option Exercise Proposal and how this applies to any Options held by you. Your Options remain subject to the rules of the applicable Hunters Share Plan under which they were granted.
- 1.5 Words and expressions defined in the Scheme Circular have the same meaning in this letter, unless the context requires otherwise.

2 Summary of the terms of the Acquisition

2.1 Under the terms of the Acquisition, Hunters Shareholders will be entitled to receive:

for each Scheme Share subject to the Scheme 43.2 pence in cash and

0.1655 New TPFG Shares

2.2 The terms of the Acquisition values Hunters entire issued and to be issued share capital at approximately £24.2 million.

2.3 It is expected that the Scheme Court Hearing to sanction the Scheme will be held on 16th March 2021 and that the Scheme will become Effective in accordance with its terms on the 19th March 2021 (the **Effective Date**). The current timetable, which is subject to change, is set out in full in the Scheme Circular.

3 Deeds of Amendment to the Hunters Share Plans

3.1 The Hunters Property PLC Senior Executive Share Option Scheme and Hunters Property PLC Employee Share Option Scheme have been amended by deeds of amendment approved at and effected immediately following a board meeting of Hunters on 26th January 2021. The amendments enable cashless exercise under those plans meaning option holders will not be required to pay the relevant exercise price on exercise but such amount will be deducted from the proceeds of sale of Hunters Shares to The Property Franchise Group. Cashless exercise is already accommodated under the rules of the other Hunters Share Plans.

4 Impact of the Acquisition on your Option(s)

4.1 The enclosed Letter of Instruction details the impact of the Acquisition on any Options which you may hold and how the Board has exercised its discretion under the rules governing your Option.

4.2 You should pay careful attention to the information contained in the Letter of Instruction regarding what happens to your Option in the event you do not choose to exercise as your Options will lapse and/or cease to be exercisable.

5 The Option Exercise Proposal

5.1 The Option Exercise Proposal in respect of the Option(s) is that you are invited to exercise your Option(s) in accordance with the details contained within the enclosed Letter of Instruction. If you exercise your Option(s), the exercise of your Option(s) will become effective on the Court sanction of the Acquisition. It is proposed that Hunters will process the exercise of your Option(s) and the issue of Hunters Shares to you by the Scheme Record Time. All Hunters Shares that you acquire

on the exercise of your Option(s) will then be acquired by The Property Franchise Group pursuant to the Acquisition.

5.2 As mentioned above the rules of the Hunters Share Plans (as amended where necessary) allow for a cashless exercise procedure and in the event you decide to exercise your Options the exercise price payable and any income tax and employee Class 1 National Insurance contributions will be deducted from the cash proceeds payable to you for the sale of your Hunters Shares to The Property Franchise Group or via sell to cover arrangements (as described in the Letter of Instruction).

5.3 **What happens if the Scheme is not sanctioned by the Court?**

The exercise of Option(s) under the Option Exercise Proposal will only take effect on the Scheme being sanctioned by the Court. If the Court does not sanction the Scheme, your acceptance of the Option Exercise Proposal will not be effective and your Options will remain in existence in the normal course under the rules of the Hunters Share Plans.

5.4 **What if I hold Options which have an exercise price greater than the per share value to be received under the Acquisition?**

The Option Exercise Proposal applies to all Options irrespective of the exercise price of such Options.

Please note if the exercise price under your Options is equal to or higher than the per share value to be received under the Acquisition you would either make no gain or an immediate financial loss upon exercise.

If you are in any doubt as to the action you should take in respect of your Options (particularly if the exercise price is equal to or greater than the per share value to be received under the Acquisition) you are recommended to seek your own independent financial or other appropriate professional advice immediately.

5.5 **What if I give or receive notice to terminate my employment before the Acquisition becomes Effective?**

If you give or receive notice of termination of your employment, or otherwise cease to be an employee for the purposes of the applicable Hunters Share Plan, your Options may not be exercisable. This will depend upon the specific terms applying to your Options.

6 **Exercise and Settlement**

6.1 If you accept the Option Exercise Proposal as detailed in the Letter of Instruction in respect of your Options, you will receive Hunters Shares which will then be acquired by The Property

Franchise Group under the Acquisition. The consideration payable for your Hunters Shares will be paid as follows:

- (a) the cash proceeds will be paid to you (after deductions for the exercise price and any tax liability arising on exercise of your Option(s)) through payroll (or, if you are no longer employed by the Hunters Group, by cheque sent to the address to which this letter is sent and at your own risk); and.
- (b) the new shares in The Property Franchise Group will be issued to you in accordance with the terms of the Acquisition and subject to any reduction in respect of sell to cover arrangements described in the Letter of Instruction.

7 Taxation

- 7.1 A brief summary of the tax implications of exercising an Option under the Hunters Share Plans is provided in the Letter of Instruction.

YOU SHOULD ALSO BE AWARE THAT IF YOU DO NOTHING ANY SUBSISTING OPTION WILL LAPSE (OR WHERE APPROPRIATE CEASE TO BE EXERCISABLE AND THEN SUBSEQUENTLY LAPSE) ON THE DATE THE SCHEME BECOMES EFFECTIVE. THEREFORE, BASED ON THE EXPECTED TIMETABLE, YOUR OPTION(S) WILL LAPSE (OR CEASE TO BE EXERCISABLE) ON THE 19TH MARCH 2021 TO THE EXTENT UNEXERCISED AT THAT DATE. ONCE YOUR OPTION(S) HAVE LAPSED OR CEASED TO BE EXERCISABLE YOU WILL NOT BE ENTITLED TO ANY COMPENSATION IN RELATION TO THE LOSS OF OR RIGHTS IN RESPECT OF YOUR OPTION(S).

8 Acceptance procedure

- 8.1 **To accept the Option Exercise Proposal:**
- (a) **Complete and sign the enclosed documents; and**
 - (b) **Return your signed enclosed documents as instructed therein as soon as possible and, in any event, so as to be received by no later than midday on 15th March 2021. No acknowledgement of receipt will be given by or on behalf of Hunters or The Property Franchise Group.**

9 Recommendation

- 9.1 The directors of Hunters, who have been so advised by SPARK, consider the terms of the Option Exercise Proposal as described in this letter and the Letter of Instruction to be fair and reasonable. In providing its advice, SPARK has taken into account the commercial assessments of the Hunters directors.

9.2 The directors of Hunters recommend that you should give careful consideration to the Option Exercise Proposal.

10 General

10.1 If you have any queries concerning this letter or the Letter of Instruction, you should contact Ed Jones (company secretary) at Hunters on 07920713209 or Ed@hunters.com. Please remember that we cannot provide you with any personal investment or tax advice.

Yours faithfully

Hunters Property PLC

Yours faithfully

The Property Franchise Group
PLC

NOTES:

These notes apply to both the letter and the Letter of Instruction (and documents enclosed therewith).

- 1 The directors of Hunters Property PLC, whose names are set out in paragraph 2.1 of Appendix 3 of the Scheme Circular, each accept responsibility for the information contained in this letter and the Letter of Instruction other than the information for which responsibility is taken by the directors of The Property Franchise Group PLC. To the best of the knowledge and belief of the directors of Hunters Property PLC (who have taken all reasonable care to ensure that such is the case) the information contained in this letter and Letter of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 2 The directors of The Property Franchise Group PLC, whose names are set out in paragraph 2.3 of Appendix 3 of the Scheme Circular, each accept responsibility for the information contained in this letter other than the information for which responsibility is taken by the directors of Hunters Property PLC. To the best of the knowledge and belief of the directors of The Property Franchise Group PLC (who have taken all reasonable care to ensure that such is the case) the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 3 SPARK Advisory Partners Limited which is authorised and regulated by the FCA in the UK, is acting as financial adviser and broker exclusively for Hunters Property PLC and no one else in connection with the contents of the Scheme Circular and will not be responsible to anyone other than Hunters Property PLC for providing the protections afforded to clients of SPARK Advisory Partners Limited, or for providing advice in connection with the matters set out in this letter, the Letter of Instruction (or documents enclosed therewith), the Scheme Circular or any other matters referred to herein. Neither SPARK Advisory Partners Limited nor any of its subsidiaries, branches or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SPARK Advisory Partners Limited in connection with this letter, the Letter of Instruction, the Scheme Circular, any statement contained herein or otherwise.
- 4 SPARK Advisory Partners Limited has given and has not withdrawn its written consent to the issue of this letter or the Letter of Instruction and the inclusion herein of the references to its name in the form and context in which they are included.
- 5 Accidental omission to despatch this letter or the Letter of Instruction (or documents which are to be enclosed therewith) to, or any failure to receive the same by, any person to whom the Option Exercise Proposal is made or should be made, shall not invalidate the Option Exercise Proposal in any way.