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**IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR ORDINARY SHARES IN THE PROPERTY FRANCHISE GROUP PLC, PLEASE FORWARD THIS DOCUMENT TOGETHER WITH THE FORM OF PROXY IMMEDIATELY TO THE PURCHASER OR TRANSFEREE OR TO THE STOCKBROKER, BANK MANAGER OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR DELIVERY TO THE PURCHASER OR TRANSFEREE. IF YOU HAVE SOLD OR TRANSFERRED PART ONLY OF YOUR HOLDING OF ORDINARY SHARES IN THE COMPANY YOU SHOULD RETAIN THIS DOCUMENT AND CONSULT THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED.**

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# **THE PROPERTY FRANCHISE GROUP PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 08721920)*

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of The Property Franchise Group PLC (the "**Company**") to be held at the 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA on 22<sup>nd</sup> May 2019 at 11.00 a.m. is set out at the end of this document together with a form of proxy ("**Form of Proxy**"). Whether or not you plan to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy and return it as soon as possible, and in any event so as to reach the Company's registrars, Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 11.00 a.m. on 20<sup>th</sup> May 2019. Completion of a form of proxy shall not preclude a shareholder from attending and voting at the forthcoming Annual General Meeting.

## LETTER FROM THE CHAIRMAN

### **Directors:**

Richard Martin (*Chairman*)  
Paul Latham (*Non-Executive Director*)  
Phil Crooks (*Non-Executive Director*)  
Ian Wilson (*Chief Executive Officer*)  
David Raggett (*Chief Financial Officer*)

(the “**Directors**” and together the “**Board**”)

### **Registered Office:**

2 St Stephen's Court  
St Stephen's Road  
Bournemouth  
Dorset BH2 6LA

8<sup>th</sup> April 2019

*To holders of Ordinary Shares of one pence each in the Company ("Ordinary Shares")*

### **Notice of Annual General Meeting**

Dear Shareholder,

#### **1. Notice of Annual General Meeting**

I have pleasure in sending you notice convening this year's Annual General Meeting of the Company ("**AGM**"). The AGM will be held at 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA on 22<sup>nd</sup> May 2019 at 11.00 a.m. As you will see from the formal notice of AGM ("**Notice of AGM**") which follows this letter, there are a number of items of business to be considered and the purpose of each resolution to be proposed at the AGM is set out in the "**Explanatory Notes**" section of this letter.

#### **2. Voting at the AGM**

A Form of Proxy for the AGM is enclosed and, to be valid, should be signed and returned by shareholders so as to reach the Company's registrars, Computershare Investor Services plc at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 11.00 a.m. on 20<sup>th</sup> May 2019. Information on the completion and return of Forms of Proxy is set out below and in the notes to the Notice of AGM.

#### **3. Action required**

The Notice of AGM following this letter includes resolutions relating to the items of business to be considered at the AGM (the "**Resolutions**") together with a Form of Proxy. **You are requested to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM. The Form of Proxy should be completed in accordance with the instructions printed thereon so that it is received as soon as possible and in any event by not later than 11.00 a.m. on 20<sup>th</sup> May 2019.** Completion and return of the Form of Proxy will not prevent you from attending the AGM, nor any adjournment thereof, in person should you so wish.

#### **4. Recommendation**

The Board believes the Resolutions are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Board unanimously recommends that Shareholders vote in favour of each Resolution as each Director intends to do in respect of his own beneficial holding which, in aggregate, amount to 11,946,550 Ordinary Shares representing approximately 46.26 per cent of the issued Ordinary Share capital of the Company.

Yours faithfully

**Richard Martin**

**Chairman**

# THE PROPERTY FRANCHISE GROUP PLC

(Incorporated in England and Wales with registered number 08721920)

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "**Meeting**") of The Property Franchise Group PLC (the "**Company**") will be held at 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA on 22<sup>nd</sup> May 2019 at 11:00 am.

You will be asked to consider and vote on the ordinary and special resolutions set out below (together the "**Resolutions**" and each a "**Resolution**").

## RESOLUTIONS

### ORDINARY RESOLUTIONS

1. That the Company's audited financial statements for the financial year ended 31<sup>st</sup> December 2018, together with the strategic report and the directors' report and auditor's report on such financial statements be received and adopted.
2. That David Raggett who retires and offers himself for re-appointment in accordance with Articles 18.1 and 18.2 of the Company's articles of association, be re-appointed as a Director of the Company.
3. That Ian Wilson who retires and offers himself for re-appointment in accordance with Articles 18.1 and 18.2 of the Company's articles of association, be re-appointed as a Director of the Company.
4. That BDO LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company before which audited financial statements of the Company are laid.
5. That the Directors of the Company be authorised to determine the remuneration of BDO LLP as auditors of the Company.
6. That a final dividend for the financial year ended 31<sup>st</sup> December 2018 of 6.0p per ordinary share be approved and declared payable to the shareholders on the register at close of business on 23<sup>rd</sup> April 2019.
7. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to allot Relevant Securities (as defined in the notes to this resolution):
  - (a) up to an aggregate nominal amount of £86,076; and
  - (b) up to an aggregate nominal amount of £25,823 to employees and directors in accordance with the rules of any share option scheme approved by the Company; and
  - (c) comprising equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £172,151 (after deducting from such limit the

aggregate nominal amount of any Relevant Securities allotted under subparagraph (a) above) in connection with an offer by way of rights issue to holders of ordinary shares of one pence each in the capital of the Company (“**Ordinary Shares**”) in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities or, as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange,

and such authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2020 or, if earlier, 22<sup>nd</sup> August 2020, but so that the Company may, in each case, before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired. This authority shall be in substitution for any previous authorities granted in this regard by the Company, but without prejudice to any allotment of Relevant Securities or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## **SPECIAL RESOLUTIONS**

8. That the Directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under Section 551 of the Act conferred by Resolution 7 above, and/or by way of a sale of treasury shares for cash (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that:
  - (a) the power conferred by this Resolution shall be limited to:
    - (i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (c) of Resolution 7, by way of a rights issue only):
      - (A) in favour of holders of Ordinary Shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of Ordinary Shares in the capital of the Company held by them; and/or
      - (B) in favour of employees and Directors in accordance with the rules of any share option scheme approved by the Company; and/or
      - (C) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(ii) in the case of the authority granted under paragraph (a) of Resolution 7 and/or in the case of any sale of treasury shares for cash, the allotment, otherwise than pursuant to sub paragraph (i) above, of equity securities or sale of treasury shares for cash up to an aggregate nominal value equal to £25,823; and

(b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2020 or, if earlier, 22<sup>nd</sup> August 2020, except that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the Directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

9. To authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 1p each provided that:

(a) the maximum aggregate number of ordinary shares of 1p each that may be purchased is 2,582,275;

(b) the minimum price (excluding expenses) which may be paid for each ordinary share of 1p is 1p;

(c) the maximum price (excluding expenses) which may be paid for each ordinary share of 1p each is the higher of:

i) 105 per cent of the average market price for an ordinary share of 1p for the five business days prior to the day the purchase is made; and

ii) the nominal value of an ordinary share of 1p,

calculated on the basis of the higher of the price quoted for:

a) the last independent trade of; and

b) the highest current independent bid for,

any number of the Company's ordinary shares of 1p each on the trading venue where the purchase is carried out; and

(d) the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2020 or, if earlier, 22<sup>nd</sup> August 2020 save that the Company may, before the expiry of the authority

granted by this resolution, enter into a contract to purchase ordinary shares of 1p each which will or may be executed wholly or partly after the expiry of such authority.

8<sup>th</sup> April 2019

By order of the Board

Christopher Varley

Company Secretary

**The Property Franchise Group PLC**

Registered office:

2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA.

## **Notes to the Notice of Annual General Meeting**

### **Entitlement to attend and vote**

1. Only those members registered on the Company's register of members at:
  - a. 11.00 a.m. on 20<sup>th</sup> May 2019; or
  - b. if the AGM is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting;shall be entitled to attend and vote at the AGM.

### **Appointment of proxies**

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a proxy form with this Notice of AGM. You can appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the meeting or another person as proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your choice of proxy (not being the Chairman) and give your instructions to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrars, Computershare Investor Services PLC, to request additional proxy forms .
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

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

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

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

- completed and signed;
- sent or delivered to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY; and
- received by Computershare Investor Services PLC no later than 11.00 a.m. on 20<sup>th</sup> May 2019.

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

In the case of a member holding shares in the Company through a nominee company, any proxy must hold a corporate representative letter from such nominee company.

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

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

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



### **Changing proxy instructions**

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above.

Where you have appointed a proxy using the hard copy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy instructions**

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney of the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

Such revocation notice must be received by Computershare Investor Services PLC no later than 11.00 a.m. on 20<sup>th</sup> May 2019 or, if the AGM is adjourned, by not later than 48 hours prior to the adjourned meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### **Corporate representatives**

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided not more than one corporate representative exercises powers over the same share.

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

11. As at 8<sup>th</sup> April 2019 (being the last business day prior to the publication of this Notice), the Company's issued share capital comprised 25,822,750 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 8<sup>th</sup> April 2019 was 25,822,750.

### **Voting**

12. Voting on all resolutions will be conducted by way of a show of hands unless a poll is duly demanded.

Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution.

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same meeting, or at an adjournment, and it is, in the opinion of the chairman of the meeting, of sufficient magnitude to vitiate the resolution.

### **Documents on display**

13. The following documents will be available for inspection at 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA from 9<sup>th</sup> April 2019 until the time of the AGM and at the AGM venue itself for at least 15 minutes prior to the AGM until the end of the AGM:

- Copies of the service contracts of executive directors of the Company.
- Copies of the letters of appointment of the non-executive Directors of the Company.

### **Communication**

14. Except as provided above, members who have general queries about the AGM should use the following means of communication (no other means of communication will be accepted):

- calling the Company Secretary, Christopher Varley, on 01202 405544; or
- calling the dedicated The Property Franchise Group PLC shareholder information line at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0870 707 1027.

You may not use any electronic address provided either:

- in this Notice of AGM; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

## **EXPLANATORY NOTES**

### **Admission**

Please plan to arrive before 10.45 a.m. to allow enough time for registration and security clearance.

### **Shareholders with special needs or requirements**

Any shareholders with special needs or requirements should report to reception and suitable arrangements will be made to accommodate any special needs or requirements.

### **Security**

Standard security measures will be in place to ensure your safety.

### **The purpose of each of the resolutions proposed at the AGM is as follows:**

#### ***Resolution 1: To receive and consider the annual report and financial statements for 2018***

In accordance with section 437 of the Act, Directors must present the report of the Directors and the accounts of the Company for the year ended 31 December 2018 to shareholders at the AGM. The report of the Directors, the accounts and the report of the Company's auditors on the accounts that are capable of being audited are contained within the annual report.

A copy of the annual report is enclosed with this Notice of AGM. Copies of the annual report may be obtained by shareholders at any time, either in hard or electronic form, upon written request without charge to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or can be found on the Company's website at [www.thepropertyfranchisegroup.com](http://www.thepropertyfranchisegroup.com).

#### ***Resolutions 2 to 3: Re-appointment of Directors***

Under Articles 18.1 and 18.2 of the Company's Articles of Association at each Annual General Meeting of the Company one third of the directors, being those who have been longest in office, are required to retire from office and offer themselves for re-election. Accordingly, each of David Raggett and Ian Wilson has offered to retire voluntarily and has submitted himself for re-appointment by the shareholders.

#### ***Resolutions 4 and 5: Appointment and Remuneration of Auditors***

The Company is required to appoint auditors at each Annual General Meeting at which accounts are presented to hold office until the conclusion of the next Annual General Meeting. Resolution 4, which is recommended by the audit and risk committee, proposes the reappointment of BDO LLP. Resolution 5 follows best practice in corporate governance by separately seeking authority for the Directors to determine their remuneration.

#### ***Resolution 6: Declaration of a Dividend***

Under Article 34.1 and subject to the provisions of the Companies Act, the Company 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 Board. The Board has recommended a final dividend of 6.0p per ordinary share in issue bringing the total dividend for the financial year ended 31<sup>st</sup> December 2018 to 8.4p per ordinary share in issue.

#### ***Resolution 7: Authority to Allot Ordinary Shares***

Under section 551 of the Act the Directors are, with certain exceptions, unable to allot Relevant Securities (as that term is defined below, and which includes the Company's ordinary shares of 1p each) unless they are authorised to do so by the Company's shareholders in general meeting.

Accordingly, in accordance with guidelines issued by the Association of British Insurers (the "ABI"), paragraph (a) of Resolution 7 authorises the Directors to allot Relevant Securities up to an aggregate nominal amount of £86,076 being an amount equal to approximately one-third of the ordinary share capital in issue as at the last practicable business day prior to the publication of this Notice of AGM. Paragraph (b) of Resolution 7 authorises

the Directors to allot Relevant Securities up to an aggregate nominal amount of £25,823 to employees and directors in accordance with the rules of a share option scheme approved by the Company, being an amount equal to approximately ten per cent of the ordinary share capital in issue as at the last practicable business day prior to the publication of this Notice of AGM. Paragraph (c) of Resolution 7 authorises the Directors to allot equity securities in connection with an offer by way of a rights issue to holders of equity securities up to an aggregate nominal amount of £172,151, as reduced by the nominal amount of any Relevant Securities issued under paragraph (a) of Resolution 7. This amount (before any reduction) represents approximately two-thirds of the ordinary share capital in issue as at the last practicable business day prior to the publication of this Notice of AGM.

Resolution 7 seeks new authorities from the shareholders for the purposes described above and if approved, those authorities will expire either on the date of the Company's next Annual General Meeting in 2020 or 22nd August 2020, whichever is the earlier.

The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow emerging best practice as regards its use as recommended by the ABI.

For the purposes of Resolution 7 "**Relevant Securities**" means: (a) shares in the Company other than shares allotted pursuant to: (i) an employees' share scheme (as defined by section 1166 of the Act); (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and (b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employees' share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in Resolution 7 include the grant of such rights.

#### ***Resolution 8: Authority to Issue Shares for Cash***

Section 561 of the Act imposes restrictions on the issue of equity securities (as that term is defined in the Act and which includes the Company's Ordinary Shares) which are, or are to be, paid up wholly in cash and not first offered to existing shareholders. Resolution 8 will give the Directors authority to allot ordinary shares of 1p each for cash without the need to comply with the statutory provisions in certain circumstances. The relevant circumstances are either where: (i) the allotment takes place in connection with a rights issue; or (ii) the allotment is limited to a maximum nominal amount of £25,823, (equating to 2,582,300 ordinary shares of 1p each), representing approximately ten per cent. of the nominal value of the issued ordinary share capital of the Company. Unless renewed, revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or 22<sup>nd</sup> August 2020, whichever is the earlier. Resolution 8 will also give the Directors power to sell ordinary shares held in treasury on a non pre-emptive basis, subject always to the limitations noted above.

Whilst the Directors have no present intention of exercising this authority, they consider that the power proposed to be granted by Resolution 8 is necessary to retain flexibility.

#### ***Resolution 9 – Authority to purchase Company's own shares***

Under Article 11.1 of the Company's Articles of Association the Company may from time to time purchase its own shares subject to statutory requirements. Such purchases must be authorised by the shareholders at a general meeting. This resolution seeks to grant the Directors authority (until the next Annual General Meeting of the Company or 22<sup>nd</sup> August 2020, whichever is the earlier), unless such authority is revoked or renewed prior to such time) to make market purchases of the Company's own ordinary shares of 1p each, up to a maximum of 2,582,275 shares, being an amount equal to approximately 10 per cent. of the current issued share capital of the Company. The maximum price payable is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share of the Company for the five business days immediately preceding the date of purchase and the minimum price is the nominal value of 1p per share.

Although the Directors have no current intention to make such purchases, they consider that it is in the best interests of the Company and its shareholders to keep the ability to make market purchases of the Company's own shares in appropriate circumstances, without the cost and delay of a general meeting. The authority would only be exercised if the Directors believe the purchase would enhance earnings per share and be in the best interests of shareholders generally.

The Company may hold in treasury any of its own shares that it purchases in accordance with the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.