

PPHE HOTEL GROUP LIMITED ("the Company")

MINUTES of the Annual General Meeting of the Company held at Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on the 25th day of April 2012 at 12noon.

PRESENT:

Kevin McAuliffe (Chairman)
Chen Moravsky (representing Molteno Ltd)

IN ATTENDANCE:

Boris Ivesha
Nigel Jones
Inbar Zilberman
Ceri Graham (representing C.L. Secretaries Limited)
Jane Davis (representing C.L. Secretaries Limited)

1. CHAIRMAN

- 1.1 Mr McAuliffe was elected to chair the meeting.

2. NOTICE:

- 2.1 The Notice convening the Meeting was read by the Chairman. It was ruled that the necessary quorum had been met in accordance with Article 15.2 of the Articles of Association of the Company.

3. FORMS OF PROXY:

- 3.1 It was noted that Forms of Proxy had been received from:

•	Mr Haydn Geoffrey Darracott + Mrs Margaret Joy Darracott	:	200
•	Euro Plaza Holdings B.V.	:	18,225,300
•	Nutraco Nominees Limited	:	316,825
•	Mrs Elaine Marie Pollington	:	701
•	Securities Services Nominees Limited	:	607,536
•	TD Direct Investing Nominees (Europe) Limited SMKTISAS ACCT	:	122

all appointing the Chairman to act as their representative at the meeting.



3.2 The Chairman then tabled the following document:

- a resolution made by the sole director of Molteno Ltd appointing Mr Chen Moravsky to act as its representative at the meeting (7,500,000 Ordinary Shares).

4. **DIRECTORS' REPORT AND AUDITED ACCOUNTS:**

4.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That the Report of the Directors and the Accounts of the Company for the year ended 31 December 2011, together with the report of the auditors, be received.

5. **DIVIDEND**

5.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That a final dividend for the year ended 31 December 2011 of 6.0 pence per share be declared.

6. **RE-APPOINTMENT OF AUDITORS:**

6.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Ernst & Young LLP be re-appointed as auditors of the Company for the ensuing year and the Directors be authorised to determine their remuneration.

7. **RE-APPOINTMENT OF DIRECTORS:**

7.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Eli Papouchado, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.

7.2 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Boris Ivesha, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.



7.3 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Chen Moravsky, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.

7.4 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Kevin McAuliffe, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.

7.5 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Elisha Flax, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.

7.6 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an ordinary resolution:

That Nigel Jones, who retires and who, being eligible, offers himself for re-appointment as a Director of the Company, be re-elected.

8. PURCHASE OF OWN SHARES

8.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as a special resolution:

That the Company be and is hereby unconditionally and generally authorised at any time at the absolute discretion of the directors in accordance with the Companies (Guernsey) Law, 2008 (as amended) to make market acquisitions (as defined in that law) of the ordinary shares of the Company (the "Ordinary Shares") on such terms and in such manner as the directors of the Company shall from time to time determine, provided that:

(A) the maximum aggregate number of Ordinary Shares hereby authorised to be acquired is 4,101,529 (equal to 10% of the Ordinary Shares in issue (excluding treasury shares) at the date of this notice);

(B) the minimum price that may be paid for each Ordinary Share is £0.01 (exclusive of expenses);

(C) the maximum price (exclusive of expenses) that may be paid for each Ordinary Share is the higher of:

- (i) not more than 5% above the average of the middle market quotations for the Ordinary Shares as derived from the Daily Official List of London Stock Exchange plc for the five business days before the purchase is made; and
 - (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System;
- (D) the authority conferred shall be in substitution for all such pre-existing authorities and shall expire at the conclusion of the next annual general meeting of the Company, or, if earlier, the date 15 months after the date on which this resolution is passed; and
- (E) the Company may make a contract to acquire its Ordinary Shares under the authority conferred prior to the expiry of such authority, which will be executed wholly or partly after the expiry of such authority, and may purchase its Ordinary Shares in pursuance of any such contract.

9. DISAPPLICATION OF PRE-EMPTION RIGHTS

9.1 On motion duly made and seconded:

IT WAS RESOLVED to adopt the following as an extraordinary resolution:

That the directors of the Company be and are hereby empowered pursuant to article 4.22 of the Company's articles of incorporation to allot Ordinary Shares, or sell treasury shares, for cash as if article 4.14 of the articles of incorporation of the Company did not apply to any such allotment or sale provided that this authority shall be limited to the allotment of Ordinary Shares, or sale of treasury shares, in the Company:

(A) in connection with an offer of securities:

- (i) to holders of Ordinary Shares (other than the Company) on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings; or

- (ii) to holders of other securities in accordance with the rights attached thereto,

and so that the directors may impose limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlement or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter; and

(B) (otherwise than pursuant to sub-paragraph (A) of this resolution up to a maximum aggregate number of 4,101,529 Ordinary Shares,

and further provided that such authority shall be in substitution for all pre-existing authorities and shall apply until the end of the next annual general meeting of the Company after the date of the passing of this resolution, or, if earlier, the date falling 15



months after the date this resolution is passed, save that under each authority the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be issued or treasury shares to be sold or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the directors may issue Ordinary Shares or sell treasury shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as is the authority had not ended.

10. VOTES

A schedule showing the votes received is attached to and forms part of these minutes.

9. CLOSE:

9.1 **THERE** being no further business the Chairman then declared the meeting closed.

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Chairman

Ordinary Resolution 1:

We confirm that 26,650,684 votes were made in support of the first Resolution;

Ordinary Resolution 2:

We confirm that 26,650,684 votes were made in support of the second Resolution;

Ordinary Resolution 3:

We confirm that 26,650,562 votes were made in support of the third Resolution;

We confirm that 122 votes were made against the third Resolution;

Ordinary Resolution 4:

We confirm that 26,650,684 votes were made in support of the fourth Resolution;

Ordinary Resolution 5:

We confirm that 26,650,684 votes were made in support of the fifth Resolution;

Ordinary Resolution 6:

We confirm that 26,650,684 votes were made in support of the sixth Resolution;

Ordinary Resolution 7:

We confirm that 26,650,684 votes were made in support of the seventh Resolution;

Ordinary Resolution 8:

We confirm that 26,650,562 votes were made in support of the eighth Resolution;

We confirm that 122 votes were made against the eighth Resolution;

Ordinary Resolution 9:

We confirm that 26,650,562 votes were made in support of the ninth Resolution;

We confirm that 122 votes were made against the ninth Resolution;

Special Resolution 10:

We confirm that 26,650,684 votes were made in support of the tenth Resolution.

Extraordinary Resolution 11:

We confirm that 26,650,562 votes were made in support of the eleventh Resolution.

We confirm that 122 votes were made against the eleventh Resolution;