

STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE IN THE FINANCIAL YEAR TO 31 DECEMBER 2025

CHAIRMAN 'S INTRODUCTION

We recognise that high standards of corporate governance underpin our sustainable growth strategy and long-term value creation.

In my role as Chairman, I am responsible for overseeing the adoption, delivery and communication of the Company's corporate governance model and for ensuring that the Group is run in the best interests of stakeholders.

The Board is committed to applying high standards of corporate governance which play a critical role in the management of long-term shareholder value, mitigating the risks and helping to create sustainable growth.

Corporate governance regime

As an AIM-quoted company, The Property Franchise Group PLC has adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code ("Code") which we believe is appropriate for the size and nature of the Company. We confirm that during 2025, our corporate governance structures and practices complied with the ten principles set out in the 2023 edition.

We continually review the framework within which we operate to reflect recent guidelines and research published by the QCA. Effective governance, and the policies and practices that support this, are fundamental to the Company's culture of acting ethically and with integrity.

In line with the QCA Code, the Company's Remuneration Policy and Remuneration Report will each be put to an advisory shareholder vote at the Company's AGM on 28 May 2026.

During 2025, the following changes were made to our corporate governance arrangements:

1. The appointment of a qualified Group Legal Director and Company Secretary to support the further embedding of the highest standards of corporate governance;
2. The Company reviewed its anti-modern slavery procedures and published its first Modern Slavery Statement;
3. The Company launched an online compliance programme and trained employees on important topics including anti-modern slavery, anti-bribery, market abuse and whistleblowing;
4. The Company's share dealing policy was updated and relaunched; and
5. The Group enhanced its risk management focus, including executive ownership of key risks with oversight from the Audit and Risk Committee.

Evaluation of Board performance

As Chair, I am responsible for ensuring that the Board operates effectively and that the Board, its Committees and each individual Director, are evaluated on an annual basis. For 2025, an internal evaluation was carried out. The outcome of the evaluation confirmed that all Directors contribute well and continue to demonstrate

commitment to their roles and that the Board and its Committees continue to operate effectively.

The Company's primary objective is to enhance shareholder value and to ensure that the Group is managed for the long-term benefit of the Company's shareholders and in doing so having regard for key stakeholders. We recognise our responsibilities to all stakeholders and the importance these relationships play in the delivery of our vision.

Paul Latham

Non-Executive Chairman

26 March 2026

We set out below, in broad terms, how we comply with the QCA Code. We provide annual updates on our compliance with the QCA Code.

Principle 1: Establish a purpose, strategy and business model which promotes long-term value for shareholders

Our purpose is to build thriving businesses within our multi-brand network and facilitate successful residential journeys. Our strategy is to develop both the depth and breadth of our networks, support our franchisees, licensees and members to grow their local market share and increase our share of property-related services transactions, to generate increased value for investors.

The Company is a holding company owning a business that is split into 3 distinct divisions: Franchising, Financial Services and Licensing:

Franchising

Core to the Group, operating 15 brands managing more than 149,000 rental properties and completing over 35,400 sales during 2025.

Financial Services

Our financial services division comprises two businesses, Brook Financial Services which was acquired as part of the Belvoir Group and the Mortgage Genie. In January 2026, we completed the acquisition of an additional financial services business, Smart Advice Financial Solutions Ltd.

Licensing

Our newest division, Licensing, was established in 2024 as a result of the acquisition of The Guild of Property Professionals and Fine and Country.

An overview of our strategy to deliver growth and our business model, is set out below:

A) Strategies

Lettings growth

We aim to increase the market share of existing franchise territories through franchisee assisted acquisitions and improved attraction and retention of landlords.

Develop sales activity in the high street-led brands

We plan to expand the offering of sales through our franchise network to those offices that have remained primarily focused on lettings.

Financial services growth

We are building a financial services business that serves customers both within and outside of our brands and drives financial services income through our property network as well as providing an additional pipeline of new customers to our franchisees and licensees.

Group acquisitions

We are continuing to focus on accelerating business growth through the acquisition and effective assimilation of complementary property network brands, financial services businesses and property-related services companies.

Recruitment

We aim to attract new franchisees, licensees and financial advisers to increase UK and international coverage and provide significant cross-Group resale and referral opportunities.

Digital Marketing and Artificial Intelligence

We will focus on using advancing technology solutions to provide an intuitive, effective and engaging customer journey, whilst also providing opportunities to drive operational efficiency across all divisions.

B) Business model

Our franchise business model, established almost 30 years ago, provides a solid foundation onto which we have built our Licensing and Financial Services divisions. We provide guidance and support to a network of driven entrepreneurs who combine our guidance, systems and brand strength with their own local expertise to deliver sustainable growth and long-term success. The main elements of our business model are:

Brand equity

Our brands are highly regarded and respected across the residential property sector for their core values of professionalism, integrity and high-quality customer service. We invest continually in the development and promotion of our brands to ensure that our messaging remains contemporary, relevant and consistent across all markets in which we operate.

Harnessing technology

The adoption of new technology by our franchisees, licensees and members is vital to their continued growth. Lead generation is supported by enhanced websites and CRM systems, alongside the increased use of social media, live chat, virtual viewings and online appointments. We are also progressing our journey to embrace the opportunities presented by AI to further improve efficiency, customer engagement

Expertise and scale

Whilst historically a franchisor specialising in lettings, we have greatly strengthened our expertise in selling homes and providing financial services through the strategic acquisition of multiple businesses across

residential sales and financial services. We continue to attract and retain some of the most experienced professionals in the industry in the industry, including a highly skilled senior leadership team whose deep sector knowledge and operational expertise drive the Group's strategic direction, integration of acquired businesses and long-term growth.

Training

In addition to the comprehensive induction training, we provide an ongoing schedule of professional training and development delivered centrally, regionally and online.

Central support

The support we give our franchisees, licensees and members is constantly evolving to ensure they stay ahead in a changing market. Alongside guidance from the Operations Board, we continue to invest in our central functions, including IT, marketing, assisted acquisitions, compliance and business advisory services.

Networking

We foster a culture of shared learning and collaboration across our network by bringing franchisees, licensees and members together through annual conferences, regular regional business meetings and other networking events.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

Our business is led by conscientious executives mindful of the need to work ethically. Our managers across the Group promote our culture, supported by extensive policies setting out the values and behaviours expected.

The Company's executives undertake the same training as other Group employees, on important topics like modern slavery, anti-bribery and market abuse. Managers across the Group promote the Group's culture, underpinned by Group wide (including Board) Equality, Diversity, and Inclusion training, supported by policies and training, setting out the values and behaviours expected. On joining the organisation, part of the employee induction is undertaking training on the Group's core values and training. The Board and the executives promote a culture of speaking up, framed within a Whistleblowing Process, and provide mechanisms which allow employees to report matters of ethical concern, confidentially.

We uphold a governance framework that ensures strategic oversight, regulatory compliance and enhanced accountability. This year we have continued to reinforce our governance mechanisms, integrating ESG considerations into decision making, operational strategies and processes such as our supplier on-boarding process.

The ESG Committee ensures that all matters environmental, social and governance are given equal regard. Reporting into the ESG Committee, there is an advisory ESG Steering Group the purpose of which is to support the ESG Committee and to help ensure ESG integration and accountability, from the boardroom and across the organisation.

A Group employee serves as Deputy Chair of the ESG Steering Group, to help support the function and projects of the ESG Committee. The diverse members of the ESG Steering Group include representatives from various departments and functions across the Group. The Steering Group plays a key role in developing and implementing the Company's ESG strategy, which is formulated by the ESG Committee, mandated by the Board and the ESG Steering Group is chaired by the Non-Executive Director that chairs the ESG Committee.

There is emphasis on a bottom-up, as well as a top-down, approach to this structure, which ensures that ESG is a

priority for our Board, as well as an important part of our ethical culture within the Group and amongst our wider stakeholder groups.

We encourage open communication and welcome employees to raise any issues and foster a culture of listening; in addition, should the need arise, we also have a Whistleblowing Policy, and our employees are all trained on this policy.

The Group has an Anti-Bribery and Corruption Policy and has zero tolerance for corruption and bribery. There were no bribery or corruption reports during the last financial year.

Principle 3: Seek to understand and meet shareholder needs and expectations

As owners of the Company, our shareholders need to understand and have confidence in our business strategy and we value their support and opinions. The Board is committed to high-quality shareholder engagement aimed at providing transparency and depth of understanding of the Group, including the growth strategy, and to further develop the understanding of shareholder needs and expectations, through regular roadshows, investor platforms, the AGM, adviser-led feedback and ensuring easy availability of Board members. The Directors pursue a dialogue with shareholders, potential investors and analysts to understand what they think about our business and to help them gain greater clarity of our performance, strategy and purpose.

The Group publishes an interim financial statement for its half-year results and an annual report for its full-year results as well as releasing regular trading updates via the RNS process. All reports and updates are accessible via the Company's website at <https://thepropertyfranchisegroup.co.uk/investors> and the annual report is mailed to shareholders where electronic provision is not requested.

The Group has signed an agreement with Research Tree to enable access to the reports written by Canaccord Genuity Limited, and Joh. Berenberg, Gossler & Co. KG, London Branch, our brokers, historical analysis of our financial performance and other published information on the Group.

The AGM is an important opportunity to meet and communicate with its shareholders, especially retail shareholders and for shareholders to raise with the Board any issues or concerns they may have. For those unable to attend we provide a mechanism to ask questions of the Board. All Directors attend the AGM and are available to answer any relevant questions raised by shareholders.

The Company dispatches the Notice of AGM at least 21 days before the meeting. Registered shareholders have direct access to the Company and receive a copy of the Annual Report, which contains the full financial statements of the Group. The results of the AGM are subsequently published on the Company's website.

Principle 4: Take into account wider stakeholder interests, including social responsibilities and environmental responsibilities, and their implications for long-term success.

The Group's stakeholders include shareholders, employees, franchisees, licensees, members, advisers, local communities, suppliers, and regulators. Engaging with stakeholders strengthens the Group's relationships and helps the team to make better business decisions. The Board receives regular updates on stakeholders' views on the issues which are of significant common interest through meetings and considers these issues in its decision making. The Company is mindful of its impact on society and is constantly evolving the ways in which we can reduce our impact on the environment as part of our aim to deliver long-term success. In 2025, we set medium term decarbonisation targets for the first time.

Employees

Our employees are one of our most important stakeholder groups. Our people are central to delivering quality service to clients and franchisees and attracting and retaining talented individuals to support our network is key. To recognise their contribution to our success we have rewards and benefits including share option schemes. This is in recognition of their contribution and long-term commitment to our purpose. Our employees have formed a social committee with the Group's support to organise events during the year, including charitable fund-raising events.

The Group is committed to equal opportunities. Recruitment and promotion are undertaken on the basis of merit, regardless of gender, race, age, marital status, sexual orientation, religion, nationality, colour or disability. If an employee becomes disabled during the course of their employment, adjustments are made where possible to enable the employee to carry on working despite their disability.

We ensure our employees have personal development reviews and meetings with line managers. We provide periodic business briefings by the CEO and CFO. We hold employee recognition events and listen to feedback from our employees, including through annual staff surveys.

Network

Our network of franchisees, licensees, members and advisers use our brands and support to deliver services to the end consumer.

We have a dedicated regional team providing day-to-day support to our network. We engage with our network through annual conferences, regular regional meetings and digital marketing.

Shareholders

See Principle 3 above.

Communities

Our network services the needs of local communities and knowledge and engagement at a local level is an important factor to the network's success. We engage with our local communities through participation in fundraising events across the Group, sponsorship of local community groups and supporting a culture of volunteering to benefit our local communities.

Regulators

The regulators across the sectors that we operate in are responsible for setting industry standards that give customers confidence in our sectors. We regularly engage with trade bodies and participate in discussions on key industry legislative changes and regulatory reforms, including the Renters' Rights Act. We engage with qualification setters to develop appropriate training courses.

Suppliers

Suppliers play a part in facilitating our network to deliver high quality services to the end consumer. We engage with our key suppliers, including to monitor their performance and to explore new offerings. Suppliers are invited to our annual conferences.

Social and Environmental responsibilities

We are mindful of our impact on society and the environment in our aim to deliver long-term success. The Board understands the Company's stakeholders have an interest in how the Company addresses environmental, social and governance ("ESG") responsibilities. The Company is firmly committed to expanding upon its growing progress in ESG principles. The Company is committed to continuous learning at all levels. Our Board and our ESG Steering Group have enhanced their ESG expertise through workshops and ESG training to allow for informed and appropriate decision making on ESG matters. These initiatives have strengthened our ability to integrate ESG considerations into our strategy and reporting, positioning us to create long-term value for stakeholders while remaining responsive to industry developments.

Our ESG journey now reaches its third year. In 2023 we established our strategy and have worked to expand and embed this across the Group. We have completed our third internal ESG assessment, completed with Inspired ESG, which highlighted our high-impact areas. Our progress is outlined below:

Reducing our environmental impact

Our progress is most significantly evident in the environmental category in our reporting on and ongoing commitment to report on Scope 1, 2 and 3 emissions, part of which is contained in our Streamlined Energy and Carbon Report which can be read in full in our 2025 Annual Report from page 32.

During 2025, the Company set a science-based near-term emissions reduction target covering Scope 1, Scope 2 and Scope 3 emissions, using 2023 as the baseline year and 2030 as the target year. The targets have been developed with reference to publicly available guidance published by the Science Based Targets initiative.

The Group has an ambition of achieving absolute reductions in Scope 1 and 2 emissions by 2030, alongside a reduction in the emissions intensity of Scope 3 activities, reflecting the differing levels of operational control and influence across its emissions profile. This includes a target to reduce absolute Scope 1 and 2 emissions by 42% and to reduce the emissions intensity (per £m revenue) of Scope 3 activities by 52% by 2030, relative to the 2023 baseline.

Looking after our people

Our strongest category in the ESG assessment by external moderators are the social elements, marked by success in employee development and wellbeing initiatives, including an extensive employee survey and wider local community engagement.

The interconnection between employees and communities has gained prominence and recognition in the boardroom. We have shown a commitment to generating new jobs and developing skills within the local communities we serve and among our employees, such as in our upskilling and guidance in our Apprenticeship Scheme. In 2025, we continued this work along with wider supplier engagement including environmental, governance and social dialogue to ascertain that we are working with suppliers which share our values across the ESG framework. We have listened to our employees in the survey at the end of 2025 and have an action plan set for implementation in 2026.

Good governance is key: Our corporate governance has been strengthened through the integration of ESG factors into decision making. The Board, ESG Committee and ESG Steering Group have all undertaken ESG training in 2025. Governance continues to be our top priority and the Board has both responsibility and oversight for ESG matters. Business objectives and long-term goals are reviewed in each Board meeting alongside a dedicated ESG agenda item to ensure alignment with corporate values. The Group has a

Whistleblowing Policy which was reviewed and updated in 2025 to include enhanced anonymous reporting procedures. We have prioritised training for all employees on whistleblowing. The Group has a Modern Slavery Policy, makes an annual Modern Slavery Statement and is committed to respecting human rights and managing risks with respect to child labour and forced or compulsory labour. The Group undertakes discrimination training, has zero tolerance of discrimination of any kind and works to promote awareness across the Group. The Group is committed to supplier engagement against various environmental and social criteria, which will be a key area of focus for the ESG Steering Group in 2026, and also takes steps to identify and mitigate risks and actions to create supply chain resilience.

Cyber risk oversight has been a key theme in 2025 as we reviewed our risk register in relation to cyber security risks and undertook a cyber review, including a Board-level review and employee training.

2025 reflects a meaningful evolution in how ESG is integrated across TPGF's strategy and operations. Building on insights from our third year of focused ESG, we will continue to formalise processes, set clear and measurable targets, and enhance transparency in our disclosures.

As we progress into 2026, we will explore voluntary disclosures, including TCFD reporting, and further embed ESG considerations into strategic planning, operational delivery and stakeholder engagement. Through these actions, TPGF is set to respond to the evolving ESG landscape while actively shaping it, ensuring sustainability and responsible business conduct remain central to how we create value and support long-term success.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Group has spent time enhancing its risk management focus, including executive ownership of key risks with oversight from the Audit and Risk Committee. The Company's framework of risk management and internal controls continues to identify and evaluate risks and to consider opportunities for potential value creation. Appropriate assurance activities are carried out

Risk management

The Group's approach to effective risk management is to identify principal risks through regular reviews, evaluations and prioritisation of risks.

The Board has overall responsibility for the management of risk, defining the Group's risk appetite and setting key risk management policies.

Board Directors and senior management all contribute to the drawing up of the risk review. The Audit and Risk Committee assist the Board in fulfilling its oversight responsibilities by reviewing the risk review document, examining the risks, deciding on the recommended actions and presenting those to the Board for approval. The risk review sets out the name of the risk as well as providing an overview of the risk, considering the effect on the business, looking at the controls in place, identifying any additional mitigating factors, and deciding its seriousness by considering the probability of it occurring and what damage it would cause if the event occurred. Once a risk has been determined as requiring action, the Board allocates the responsibility for the oversight, management and mitigation of the risk, to the appropriate Board member.

During the course of the year, the Board reviews progress against the risks set out in the risk review. The principal risks and uncertainties are set out on pages 20 and 21 of the Company's 2025 Annual Report.

An internal team is responsible for auditing franchises in rotation. Audit work is geared towards mitigating financial, and reputational risks. A compliance dashboard facilitates monitoring of franchisees' adherence to relevant standards, such as having the correct insurances in place.

. Internal control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has established clear operating procedures and responsibility structures. These procedures include:

- monthly financial reporting against budget and the prior year;
- day-to-day financial control of operations;
- annual budgeting, half-yearly forecasting and monthly outturn review;
- the monitoring and assessment of risk;
- performance monitoring and the taking of remedial action; and
- planning, reviewing, approving and monitoring major projects.

Principle 6: Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board comprises the non-independent Non-Executive Chairman (Paul Latham), three independent Non-Executive Directors (Jon Di-Stefano, Claire Louise Noyce and Paul George) and three Executive Directors who are the Chief Executive Officer (Gareth Samples), the Chief Financial Officer (Ben Dodds) and the Financial Services Director (Michelle Brooks). The Board acknowledges the QCA Code guidance that the Board should comprise at least half independent Non-Executive Directors and expects to address this in 2026. The Board meets the requirement of the QCA Code to have a minimum of two independent Non-Executive Directors.

The Board is responsible for the overall performance of the Group, which includes the broad strategic direction, development and control of the Group. The policies and strategies of the Group are formulated by the Board and the detailed considerations about the day-to-day operations are delegated to a senior management team under the leadership of the Executive Directors.

The Board regularly monitors the implementation of strategy and policy decisions to ensure that the operation of the Group is at all times in line with the Group's objectives.

The Board has regular contact with its advisers and the Company Secretary to keep up to date with corporate governance matters. The Company Secretary ensures that Board procedures are followed and that applicable rules and regulations are complied with.

The role of the Chair is to manage the Board in the best interests of its stakeholders, to ensure that shareholders' views are communicated to the Board and to ensure the Board's integrity and effectiveness.

The role of the Chief Executive Officer is to manage the Group on a day-to-day basis, to ensure that Board decisions are implemented effectively and to develop and propose Group strategy to the Board.

There is a clear division of responsibilities at the head of the Company between the Chair running the Board and the Chief Executive Officer running the Group's operations.

There is a schedule of matters specifically reserved for the Board's decision to ensure that the Board retains proper direction and control of the Group, whilst delegating authority to individual Directors who are responsible for the executive management of the business.

The Board is supported by the Operations Board that includes key members of the senior management team, alongside the Chief Executive Officer and Chief Financial Officer.

The Executive Directors are employed on an 8.30 am to 5.30 pm basis and such additional hours as may be required for proper performance of their duties and responsibilities. Non-Executive Directors are required to allocate sufficient time to properly carry out their duties and perform their roles as the circumstances will dictate. This includes attendance at monthly Board meetings, committee meetings, meetings to consider acquisitions and major contracts and the AGM. Non-Executive Directors are required to devote appropriate preparation time ahead of each meeting. One of the independent Non-Executive Directors also fulfils the role of Senior Independent Director (SID).

The Company Secretary and the executive directors prepare the agenda and the appropriate board papers in advance of the board meetings. These board papers are in a form and quality appropriate for the Board to discharge its duties.

The Board is supported by an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee and an ESG Committee. The committee members are non-executive directors who have the necessary skills and knowledge to discharge their duties and responsibilities effectively. In addition to the non-executive directors, the Chief Financial Officer is a member of the ESG Committee and the Nomination Committee.

The Board of Directors meets at least 9 times a year to review the implementation of strategy and policy decisions and to review the Group's progress to ensure that the operation of the Group is at all times in line with the Group's objectives.

The Audit and Risk Committee has three scheduled meetings a year. The Remuneration Committee and Nomination Committee each have two scheduled meetings a year. The ESG Committee meets more often than the other Committees as it provides guidance to the wide-ranging work of the ESG Steering Group to ensure that a commercial and sustainable approach is applied to ESG. Full Director attendance tables are shown on page 43 of the Company's 2025 Annual Report.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities

The Board is the appropriate size and has the specific structures recommended by the QCA including 4 Committees.

Collectively the Directors have extensive residential property (sales and lettings), franchising, financial, financial services and listed company experience, and they are encouraged to keep their skills up to date. The Directors have access to the same ethics and compliance training as employees and undertake additional, targeted training on key topics like market abuse, PDMR compliance and ESG. The Board is satisfied that individually and collectively, the Directors have the necessary up-to-date experience, skills and capabilities. . The Directors' biographies are set out on pages 36 and 37 of the Company's 2025 Annual Report which demonstrates the experience mix.

In terms of Board governance structures, there is a schedule of matters specifically reserved for the Board's

decision, including strategy, acquisitions, significant contracts and internal controls to ensure that the Board retains proper direction and control of the Group, whilst delegating authority to individual Directors who are responsible for the executive management of the business.

The Board is supported by an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee and an ESG Committee. The committee members are non-executive directors who have the necessary skills and knowledge to discharge their duties and responsibilities effectively. In addition to the non-executive directors, the Chief Financial Officer is a member of the ESG Committee and the Nomination Committee.

The Audit and Risk Committee has the primary responsibility for ensuring that the financial performance of the Group is properly measured, reported on and monitored.

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors including pension payments and compensation rights. It is also responsible for making recommendations for grants of options under the Share Option Plans.

The remuneration of Non-Executive Directors is a matter for the Board. No Director may be involved in any discussions as to their own remuneration.

The Nomination Committee is responsible for succession planning and identifying candidates for Board and senior leadership positions, including identifying the skills and characteristics required.

The ESG Committee is responsible for devising and implementing the ESG strategy and designing the policies and practices delivered by the ESG Steering Group to support the long-term sustainable success of the business.

All Directors are able to take independent professional advice in the furtherance of their duties and to attend seminars and training to assist them with the development of their own knowledge and expertise.

All Directors have access to the advice of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed, and the applicable rules and regulations are complied with.

Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

In accordance with the requirements of the QCA Code, the Board considers its effectiveness and performance on an annual basis. In accordance with the guidance set out in the QCA Code, the review for the year ended 31 December 2025 was led and overseen by Paul Latham, Chair. The Board has not yet undertaken an externally facilitated review. An internal review was considered appropriate for 2025 because of the Company's size. The Board continues to keep this under review.

In 2025, the evaluation of Board performance was focused on the following areas:

- Board composition and effectiveness, including the Board's oversight of strategy, financial performance, market developments, stakeholder relations, risk and governance, inclusion and diversity, talent and succession;
- quality of information provided by management;

- boardroom culture and dynamics;
- the performance of the Chair; and
- structure, leadership and effectiveness of the Board's Committees.

The Chair conducted individual reviews with each Non-Executive Director and the Senior Independent Director led the appraisal of the Chair's performance.

The internal evaluation found that:

- the Directors believe the deep dive sessions presented by management at Board meetings on specific areas within the business, to be valuable and supportive of the Board's understanding of the business and oversight responsibilities. The Board is planning further dive sessions on specific key areas of the business during 2026;
- the Directors are satisfied that the Board was adequately engaged in overseeing key risks and ensuring that appropriate risk management processes and procedures are in place;
- the Directors have observed a significant improvement in the quality and content of the information provided to the Board following a complete content overhaul by the Chief Financial Officer after he joined the Board;
- the Directors believe that in-person meetings are superior in quality to remote meetings; the governance of the Board and its processes and procedures are considered to have improved as a result of the appointment of the Group Legal Director and Company Secretary;
- the Directors commended the Chair for facilitating the effective contribution of the Non-Executive Directors;
- the four Board Committees have further evolved in their reach and collaboration during the year, with the Directors believing there was an appropriate level of engagement with management and constructive, effective, communication between the Committees and the Board;
- whilst there were no specific areas identified in the review where material improvement is required, continued focus on key issues and open and transparent dialogue, both at Board level and with management, are recognised as drivers of the Board's effectiveness; and
- the Nomination Committee will continue detailed work on succession planning, with a view to returning the Board to at least half independent, Non-Executive Directors, in 2026.

Through the evaluation process, it was also confirmed that each Non-Executive Director (with the exception of the Chair) remains independent. Each Director was found to have sufficient time to successfully perform their role.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board has an established remuneration policy which is designed to motivate management to support and increase long-term shareholder value, whilst reinforcing the desired ethical corporate culture and effective decision making.

Purpose

The Remuneration Committee aims to ensure the remuneration policy is competitive to aid retention, recruitment and motivation, whilst being aligned to the long-term interests of shareholders and ensuring that Directors operate within the risk parameters set by the Board.

The Committee operates under written terms of reference which set out its role and the authorities delegated to it by the Board. Its main responsibilities are to:

- ensure that the Executive Directors and other key employees of the Group are rewarded fairly for their individual contributions to the overall performance of the Group.
- demonstrate to the shareholders of the Company that the remuneration of the Executives is set by a Committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of shareholders of the Company; and
- oversee any major changes.

The Committee is satisfied that the remuneration arrangements for the Executive Directors and other key employees are aligned to the Group's strategic goals and properly incorporate the key performance indicators. Furthermore, the Committee believes that the remuneration outcomes for 2025 were aligned to performance and that the arrangements continue to promote the long-term success of the Group and incentivise the delivery of strong, sustainable financial results.

Policy on remuneration of Directors

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the overall policy on remuneration and other terms of employment of Executive Directors and senior management. It is also responsible for making recommendations for grants of options under the Share Option Plan. The remuneration of Non-Executive Directors is a matter for the Board. It consists of fees for their services in connection with Board and Committee meetings. No Director may be involved in any discussions as to their own remuneration. The remuneration policy is designed to shape the Group's remuneration strategy for an anticipated 3 years, ensuring that the structure and levels of remuneration continue to remain appropriate for the Group. The policy aims to:

- pay competitive salaries to aid recruitment, retention and motivation being reflective of the person's experience and importance to the Group;
- pay annual bonuses to incentivise the delivery of stretching short term business targets whilst maintaining an element of variability, allowing flexible control of the cost base and being able to respond to market conditions; and
- provide long-term share incentive plans designed to incentivise long-term value creation, reward execution of strategy, align Directors' interests with the long-term interests of investors and promote retention.

In line with the QCA Code, shareholders will for the first time be invited to vote (by way of an advisory vote)

on both the Directors' remuneration policy and the Directors' Remuneration Report for the year ended 31 December 2025, at the Company's 2026 Annual General Meeting.

Additional information on the Company's remuneration policy and the Directors' remuneration can be found on pages 49-52 of the Company's 2025 Annual Report.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Company's website and the Company's 2025 Annual Report set out how the Company is governed. The Company operates an effective programme of engagement with shareholders and other stakeholders through investor roadshows and webinars, financial PR, dialogue with analysts following our sector, together with accessible research published by analysts. The Company also communicates regularly with other stakeholders, including employees, franchisees, licensees, financial advisers, our commercial suppliers and partners and lenders, about the Company's performance and strategy.

The Company communicates with shareholders through the annual report, full-year and half-year announcements, trading updates, its Annual General Meeting and one-to-one meetings with existing institutional shareholders and potential new shareholders. A range of corporate information is also available on the Company's corporate website – <https://thepropertyfranchisegroup.co.uk/investors>. The outcomes of all decisions put to shareholder vote are posted on the Company's website as soon as practicable.

The Board receives regular feedback on meetings with shareholders and analysts from its executive directors and from both its financial public relations agency and brokers.

Regular head office meetings are a source of feedback from employees and debate by employees over the effectiveness of current activities and of proposed future activities.