

The Board of Directors

The Board comprises two executive Directors, a Non-Executive Chairman and two Non-Executive Directors.

The Chairman, Jonathan Lane, is responsible for leading the Board and its governance arrangements. He ensures that the agenda for each meeting is appropriate, that the Board uses its time well and that discussions, informed by high quality reports, are balanced and productive. The Chairman is responsible for ensuring that communication with the Group's shareholders is effective.

The Chief Executive Officer, Guy Parsons, oversees management of the business on a day-to-day basis, ensuring that the Board's decisions are implemented. He is accountable to the Board for the financial and operational performance of the business and for implementing the policies set by the Board.

Scott Christie, Non-Executive Director, is Chairman of the Audit and Remuneration Committees and a member of the Nomination Committee.

Harm Meijer was appointed as an additional Non-Executive Director of the Group on 13th March 2018.

Details of the backgrounds and qualifications of our Directors are provided on our corporate website together with information on the roles which they have within the organisation found [here](#).

Our Board is supported by a professional Company Secretary who, amongst other things, ensures the governance processes adopted by the Board and its committees are well considered and that information flows and practices promote effective decision making.

The Board is satisfied that, collectively, the Directors have an appropriate balance of skills and knowledge, including a range of hospitality, property and financial experience, to govern and lead the easyHotel business effectively.

Generally the Board meets every month, with additional meetings held as required. Details of Board and Committee meetings held and attendance by each Director is disclosed each year in the Annual Report & Accounts.

The Board's responsibilities and processes

The Board of Directors is responsible for the Company's strategic direction and for major decisions made in pursuance of that strategy, as well as for the monitoring and oversight of implementation by management and business performance.

There is a schedule of matters specifically reserved for Board approval and decision making. A copy of this schedule is available [here](#). It is reviewed as part of the Board's evaluation and defines those matters which may not be delegated. Those matters come under a variety of headings such as governance issues, financial limits, investment decisions and issues of corporate structure.

Within the collective environment of the unitary board, the separate responsibilities of separate committees and individuals are well defined and understood.

The Board reviews strategy and the business model annually and planning is then implemented and monitored so that expected outcomes, the risks that may impede their achievement, and the resources needed to deliver them, are well understood. The Group's strategy, business model and assessment of the principal risks that the business faces are set out annually in our Annual Report & Accounts.

Monitoring and assessment of performance and progress towards the strategic objectives are carried out at each Board meeting. To facilitate this, reports are provided on a range of qualitative and quantitative matters, including management accounts and information on operational matters as well as strategic proposals for decision. Reports, which include detailed commentary and key performance

indicators, are circulated in good time for each meeting, with a formal agenda governing discussions.

All Directors have access to the advice of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations. Directors may take independent professional advice at the Company's expense, as and when necessary to support the performance of their duties as Directors of the Company.

Committees of the Board

The Board has established Audit, Nomination and Remuneration Committees. The Board appoints the Committee members who are identified in the Directors' section of the corporate website.

Each committee provides a separate report in the Annual Report & Accounts and their terms of reference, which are kept under review, are available [here](#). In summary their responsibilities are as follows:

Audit Committee:

- reviews the integrity of the Group's financial reporting and accompanying narrative;
- oversees the relationship with, and services provided by, the external Auditor to ensure that shareholders are receiving effective assurance;
- reviews internal controls, including financial controls; and
- exercises oversight of Group risk and risk management processes.

Remuneration Committee:

- reviews and approves executive remuneration policies and practices;
- determines individual executive remuneration packages and incentives; and
- is mindful of pay practices and policies across the group's workforce.

Nomination Committee:

- leads any Board recruitment and appointment processes;
- reviews the balance of the Board; and
- makes recommendations to the Board on matters such as Directors' independence and commitment.

Each Committee may access any external advice it needs and is supported by the Company Secretary.

Meeting attendance records for each Director who is a member of one or more Committees are disclosed in the Annual Report & Accounts.

Appointment, election and re-election of Directors

Appointments to the Board are the responsibility of the Board as a whole but are made upon the recommendation of the Nomination Committee.

When a Board or senior management vacancy arises, the first step in the process is generally to carry out an analysis of the role and capabilities that are required to fulfil it. Where there is no suitable internal candidate, an external search agency is generally used to ensure that the search encompasses a wide pool of potential appointees who can be assessed against the objective criteria established in the initial scoping exercise. This was not the case when Harm Meijer was appointed as a Non-Executive Director as his appointment was made pursuant to a Relationship Agreement with major shareholder, ICAMAP.

The Company's Directors retire by rotation at the annual general meeting. Before recommending a director for re-election, the Board, on the recommendation of the Nomination Committee, reviews the independence, contribution and commitment of the relevant Directors in order to satisfy itself that

their continuation in office is considered appropriate.

Board performance evaluation, succession planning and diversity

It is the Board's responsibility to promote the success of the Company. To provide assurance that the Board is effective, its performance, and that of its Committees, is periodically evaluated. The objective of such evaluations is to assess whether there are ways in which Board and Committee effectiveness can be enhanced and to develop an action plan to address any areas for improvement. The most recent evaluation was carried out in September 2018, facilitated by the Company Secretary using a questionnaire and separate reviews of the matters reserved to the Board, the Committee terms of reference and the standards anticipated within the QCA Code. The Board was pleased to confirm that the evaluation demonstrated the Company was compliant with the QCA Code but was also able to identify a number of actions to be taken including refreshing the terms of reference under which our Committees operate.

The Board also constituted a Nominations Committee (such matters previously having been dealt with by the Board as a whole) and has asked it to review and make recommendations on the composition of the Board, taking particular account of diversity and specific skills relating to the business to ensure that the longer-term vision for the balance of the Board remains appropriate.

The Board is required to have effective succession planning in place to ensure that the Board continues to comprise individuals who, collectively, possess an appropriate mix of skills and experience, and that the senior management of the business remains appropriately resourced. The Chief Executive Officer is responsible for ensuring the latter and for reporting on management succession plans to the Nomination Committee.

easyHotel's Board is small and, at present, there are no female Directors. This is a point which the Board has actively considered and, in recruitment at both Board and senior management level, it has encouraged external agencies to put forward a balanced pool of both male and female candidates. The Board is wholly committed to diversity and considers the organisation as a whole to be diverse, both in terms of gender and other diversity factors. Reflecting this, diversity and inclusion policies underpin practice in the workplace and operationally within the business.

Culture and values

The Board has defined the easyHotel values – we care for you, we do what we say, we make things simple. These values set the parameters for the corporate culture which governs everything the business does. The Board shows leadership in its decision making by ensuring consistency with those values, which are disseminated and embedded within the business. Colleagues are introduced to the easyHotel values as part of their induction and staff notice boards are used to ensure continued awareness of them. Shortly the values will also be printed on head office lanyards. The easyHotel values are used for monthly staff recognition and we ask staff whether they are aware of the values as part of our annual staff engagement survey.

Relations with stakeholders

The Board has identified a number of stakeholders which are of great importance to the business. These include shareholders, employees, customers, franchisees and suppliers. The Board recognises the importance of effective communication with its stakeholders, to ensure that each of them understands and can support delivery of the Group's strategy. A range of information, both current and historical, is prepared on a transparent basis and provided on the Company website for use by all interested parties.

The Company communicates with shareholders, for example through the Annual Report and Accounts, full-year and half-year financial results, the annual general meeting and meetings with institutional

investors. The Chief Executive Officer and the Chief Financial Officer regularly meet with institutional investors to update them on the Company's outlook and plans and to receive feedback from them. The Board as a whole is kept informed of the views and concerns of major shareholders.

All Directors attend the annual general meeting and are available for questions in the meeting and for more informal discussions outside of that meeting. A point of contact (ir@easyhotel.com) is provided to facilitate contact from shareholders and other stakeholders.

When a general meeting is held, proxy votes are disclosed, both at the meeting and on the corporate website. In the event of a significant proportion of votes ever being received against a particular resolution, the Board would take steps to understand shareholder concerns and consider what action they might want to take in response.

Our colleagues across the Group are also vital stakeholders for the business - we cannot deliver our strategy and business model without them and their views are important to the Board. Our employee surveys and forums provide an opportunity for management to communicate plans for the business to the team and for individual colleagues to share their opinions, concerns and experiences. The Chief Executive Officer reports on employee matters at all Board meetings.

The Board are committed to demonstrating to colleagues across the business that they are valued and should have an opportunity to share in the success of the Company. In 2017 an all-employee share plan, Save As You Earn, was introduced and the Board was pleased to note that, in its second year, it has already grown in popularity.

Our customers are clearly a key group of stakeholders. In booking to stay with easyHotel, they are placing their trust in us to deliver them a clean, safe hotel room that offers exceptional value. Through the use of a range of customer feedback we monitor, on a hotel-by-hotel basis, the extent to which we are meeting customer expectations. This feedback is shared with the Board and is used to constantly strive to improve their experience.

The Board also recognises the importance of our franchisees. We work with them to ensure that the easyHotel brand is consistently applied across the estate. We have introduced a range of optional additional services available to franchisees to enhance their service from us. We provide, through an annual conference, an opportunity for franchisees to meet with each other as well as management and to benefit from sharing experiences and feedback with the Company as well as each other. We also value our other third party partners, including suppliers. Consistent with our corporate values, we seek to act fairly towards the third parties we deal with directly, including paying suppliers promptly in accordance with payment terms.

We also recognise that easyHotel is part of a wider community. Many of our colleagues are members of the communities local to our hotels. We take our responsibilities seriously, including in relation to the environmental impact our business has. For example, we are moving to paperless meetings and paperless reporting across the business and recycling bins are in place across hotels and our head office. In our most recent waste management contract, we included a commitment to recycle a higher percentage of waste in order to reduce the proportion of waste sent to landfill. Monthly waste management targets have been set across the estate.

We are thoughtful in our choice of materials we use in construction and are also harnessing smart technology as we develop new hotels in order to reduce energy consumption. Corridor sensors activate lights in response to movement, key card heating/lighting controls ensure energy use is minimised when rooms are not in use, and air source heat pumps and economy setting showers help to improve our energy efficiency.

As well as adopting responsible values which define expectations for how our business operates, we are proud to be working with our first charity partner, Parkinson's UK, to support their outstanding work to provide better care, treatments and quality of life for those with the condition. We have committed to a two year partnership during which colleagues across the business will engage in a variety of fundraising activities.