

**Brancous LP1**

March 5<sup>th</sup>, 2026

## **Braemar Hotels & Resorts**

To the Board of Directors of Braemar Hotels & Resorts,

I am writing on behalf of **Brancous LP1**, a shareholder of the Company, regarding the economic framework surrounding the advisory relationship and the governance context in which several important decisions appear to be unfolding.

Recent company disclosures and earnings commentary indicate that the previously discussed potential sale of the Company as a whole has not progressed. The Company has also reported that it has engaged real estate advisors to explore potential transactions involving individual hotel properties or smaller groups of assets.

These developments come at a particularly important moment. The advisory agreement governing the Company's relationship with its external advisor is approaching a renewal period, and the scope of services and fees established in that agreement directly influence the economic assumptions underlying the termination framework referenced in the Company's public disclosures.

The upcoming renegotiation therefore represents a critical opportunity to reassess the structure and scope of the advisory relationship. Adjustments to the scope of services — particularly those delivered through affiliated service providers — could materially reduce the termination economics that have been referenced publicly.

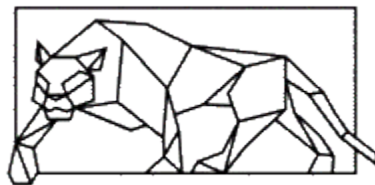
For this reason, it would appear prudent for the Board to prioritize renegotiation of the advisory agreement before pursuing significant asset sales. Proceeding with asset sales prior to renegotiating the advisory structure risks locking shareholders into termination economics that may not reflect the structure of the advisory relationship once that agreement is renewed.

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### **Termination framework and underlying assumptions**

In reviewing the termination framework described in public disclosures, one element that appears central to the calculation is an advisory fee base that has been referenced at approximately **\$30 million annually**.

However, a closer reading of the Company's financial statements suggests that the composition of those amounts may include elements that warrant further clarification, particularly with respect to the distinction between advisory fees and reimbursement-related payments.



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Reconciling the advisory fee base against the Company's audited disclosures may therefore lead to a different view of the economic base used in the termination calculation.

Given the potential magnitude of the termination economics referenced in the Company's filings, shareholders would benefit from greater transparency regarding the analytical basis used by the Board and its advisors.

In particular, investors would benefit from disclosure of:

- the specific advisory fee components used in the termination calculation
- the treatment of reimbursements and other pass-through expenses
- the financial and legal analyses relied upon in evaluating the termination framework

Given the material implications of these figures, providing this information would help shareholders better understand the assumptions underlying the termination economics.

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## **Board leadership and recent governance developments**

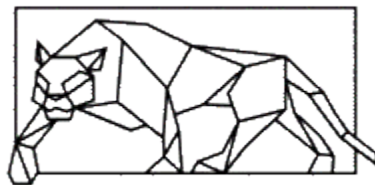
Governance considerations also take on particular importance in the current context.

Public disclosures indicate that Stephanie Carter, who serves as Lead Independent Director, received more shareholder votes **against** than **in favor** in director elections in each of the last two election cycles. Following both elections she tendered her resignation pursuant to the Company's governance policies, and on both occasions the Board declined to accept that resignation.

While the Board retains discretion under its governance policies to make such determinations, repeated shareholder votes rejecting a director may reasonably raise questions among investors regarding how shareholder sentiment is being evaluated.

These questions are further heightened by the matters described in the Company's recent Form 8-K concerning the resignation of Babak Ghassemieh. According to correspondence included in that filing, Mr. Ghassemieh described circumstances relating to his participation on the board and its committees.

Shareholders may reasonably ask how the board's independent leadership structure has been functioning when a director who has been closely associated with shareholder concerns was not included on any board committees. As Lead Independent Director, Ms. Carter plays a central role in the functioning of the Board's independent governance processes.



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Ms. Carter also serves on the boards of other public companies, including Wheeler Real Estate Investment Trust and Axos Financial, and is therefore well familiar with the responsibilities associated with board oversight and shareholder accountability.

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## **Compensation arrangements with affiliated service providers**

Another matter that warrants clarification relates to deferred compensation awards connected to affiliated service providers.

Public disclosures indicate that deferred compensation awards were approved benefiting employees associated with Remington Hospitality and Premier Project Management.

Both entities provide services to the Company pursuant to contractual arrangements.

However, shareholders may reasonably ask why employees of affiliated service providers are receiving deferred compensation tied to the Company's performance in addition to the contractual fees already paid to those entities.

In typical hotel ownership structures, hotel REITs engage independent operators through negotiated management agreements. Owners working with operators such as Marriott International compensate those operators through contractual management fees, but generally do not grant equity or deferred compensation awards directly to employees of those operators.

Understanding the rationale behind these compensation structures would therefore be helpful for shareholders evaluating how these arrangements align with shareholder interests.

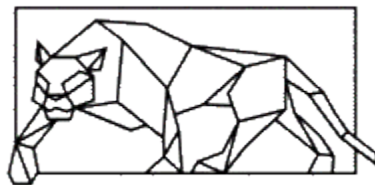
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## **Director independence considerations**

Finally, disclosures relating to the appointment of Kellie Sirna raise additional questions regarding independence considerations.

Public filings indicate that Ms. Sirna's firm had previously received payments associated with services provided within the Company's advisory ecosystem. Following her appointment to the Board, those payments were subsequently refunded.

The filings indicate that the amount involved was approximately **\$336,547**.



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While the refund of those payments addressed the immediate financial relationship, shareholders may reasonably ask how the Board evaluated independence considerations in connection with this appointment and what steps were taken to ensure that the Board's independence standards were satisfied.

Greater clarity on this process would help investors better understand how independence considerations are evaluated in situations where prior financial relationships existed.

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Braemar owns a portfolio of high-quality luxury hospitality assets. The upcoming renegotiation of the advisory agreement provides an important opportunity to reassess the structure and economics of the advisory relationship and potentially reduce the termination framework that has been referenced in public disclosures.

Prioritizing that renegotiation before pursuing asset sales could help ensure that any transaction ultimately reflects the most favorable economic outcome for shareholders.

I look forward to the Board's response and to constructive engagement on these matters.

Sincerely,

**Alejandro Malbran**  
Managing Partner  
**Brancous LP1**