

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred or sell or transfer before 9 November 2015 all your shares in Primary Health Properties PLC, please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred or sell or transfer before 9 November 2015 only part of your holding, you should retain these documents.

The distribution of this document and accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

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# PRIMARY HEALTH PROPERTIES PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 03033634)*

## **Proposed Sub-Division of Existing Ordinary Shares**

**and**

## **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 1 to 3 of this document and recommends you to vote in favour of the resolution to be proposed at the General Meeting referred to below.**

Notice of a General Meeting of Primary Health Properties PLC, to be held at 11.00 a.m. on 11 November 2015 at the offices of Nabarro LLP at 125 London Wall, London EC2Y 5AL, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, so as to arrive by no later than 11.00 a.m. on 9 November 2015. CREST members may register the appointment of a proxy by using the CREST electronic proxy appointment service.

Completion and return of a Form of Proxy will not preclude shareholders from attending and voting in person at the General Meeting, should they wish to do so.

If you have not received a Form of Proxy, please contact the Company's registrar, Equiniti, on the helpline telephone number 0371 384 2030 (+44 371 384 2030, if calling from outside the United Kingdom).

An application will be made to the UKLA for the Official List to be amended to reflect the New Ordinary Shares arising from the Sub-Division. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Trading on the London Stock Exchange for the Existing Ordinary Shares (under ISIN GB0007015521) is expected to close at 4.30 p.m. on 11 November 2015, with trading in the New Ordinary Shares (under ISIN GB00BYRJ5J14) expected to commence at 8.00 a.m. on 12 November 2015.

## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS**

Directors . . . . .	Alun Jones ( <i>Non-Executive Chairman</i> ) Steven Owen ( <i>Non-Executive Director, Senior Independent Director</i> ) Harry Hyman ( <i>Managing Director</i> ) Mark Creedy ( <i>Non-Executive Director</i> ) James Hambro ( <i>Non-Executive Director</i> ) William Hemmings ( <i>Non-Executive Director</i> ) Phil Holland ( <i>Finance Director</i> ) Dr Ian Rutter ( <i>Non-Executive Director</i> )
Company Secretary . . . . .	Nexus Management Services Limited
Registered Office . . . . .	5 <sup>th</sup> Floor Greener House 66-68 Haymarket London SW1Y 4RF
Legal Advisers to the Company .	Nabarro LLP 125 London Wall London EC2Y 5AL
Registrar . . . . .	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Expected time/date</u>
Latest time and date for receipt of Form of Proxy and CREST electronic proxy appointments . . . . .	11.00 a.m. on 9 November 2015
General Meeting . . . . .	11.00 a.m. on 11 November 2015
Record date for the Sub-Division . . . . .	6.00 p.m. on 11 November 2015
Effective time and date of the Sub-Division . . . . .	8.00 a.m. on 12 November 2015
Admission of New Ordinary Shares to the Official List and commencement of dealings on the Main Market . . . . .	8.00 a.m. on 12 November 2015
CREST accounts credited with New Ordinary Shares . . . . .	8.00 a.m. on 12 November 2015
Dispatch (where applicable) of certificates for New Ordinary Shares	25 November 2015

### **Notes:**

- (1) Future dates are indicative only and are subject to change by the Company, in which event details of the new times and dates will be notified, where appropriate, to shareholders.
- (2) References to times in this document are to London time.
- (3) All events in the above timetable scheduled to take place after the General Meeting in respect of the Sub-Division are conditional on the approval by shareholders of the Sub-Division as proposed. The despatch of certificates for New Ordinary Shares (where applicable) are conditional upon an amendment to the Official List of the UK Listing Authority to reflect the Sub-Division.
- (4) The shareholder helpline number available through the Company's registrar, Equiniti, is 0371 384 2030 (+44 371 384 2030 if you are calling from outside the United Kingdom).

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## PART I—LETTER FROM THE CHAIRMAN OF PRIMARY HEALTH PROPERTIES PLC

*Incorporated in England and Wales under the Companies Act 1985 with registered number 03033634*

### Directors:

Alun Jones (*Non-Executive Chairman*)  
Steven Owen (*Non-Executive Director, Senior Independent Director*)  
Harry Hyman (*Managing Director*)  
Mark Creedy (*Non-Executive Director*)  
James Hambro (*Non-Executive Director*)  
William Hemmings (*Non-Executive Director*)  
Phil Holland (*Finance Director*)  
Dr Ian Rutter (*Non-Executive Director*)

### Registered Office:

5<sup>th</sup> Floor  
Greener House  
66-68 Haymarket  
London SW1Y 4RF

15 October 2015

Dear Shareholder,

### **Proposed Sub-Division of Existing Ordinary Shares and Notice of General Meeting**

#### **Introduction and Sub-Division Proposal**

The Company announced on 20 August 2015 that it is proposed, subject to shareholder approval, to sub-divide each Existing Ordinary Share into four New Ordinary Shares. The purpose of this Sub-Division is to provide greater liquidity in the trading of the shares. The Company has also announced that it will pay dividends on a quarterly basis with effect from January 2016.

The New Ordinary Shares will not be eligible for payment of the dividend of 10.0 pence per ordinary share announced on 20 August 2015. This dividend is only applicable to the Existing Ordinary Shares and is expected to be paid on 30 October 2015. The New Ordinary Shares will be eligible for payment of any dividends declared and paid after 12 November 2015.

The Sub-Division is conditional upon the approval of shareholders. A General Meeting of shareholders is to be held on 11 November 2015 for the purpose of seeking such approval. A notice convening the General Meeting, at which the Sub-Division Resolution will be proposed, is set out at the end of this document.

The purpose of this document is to provide details of the Sub-Division, and to explain why the Board considers the Sub-Division to be in the best interests of the Company and its shareholders as a whole.

#### **Background to and reasons for the Sub-Division**

Since the Company originally listed on the AIM market in 1996, the PHP group has successfully grown its property portfolio to a value of £1.1 billion as at 30 June 2015. PHP's share price has grown over the same period, rising from a price at flotation of £1 per Ordinary Share, to close at £4.172 at close of business on 14 October 2015. The Company's share price has now reached a level where the Board and its advisers consider that the Company's marketability and liquidity will be enhanced by dividing each share into four.

The Company will continue its progressive dividend policy which has seen its dividend grow in each of the last 19 years of its history. A share price closer to £1 than a price of £4.172 will focus the attention of investors and analysts more easily on the rate of dividend and the Company's dividend yield to shareholders.

Assuming no further Existing Ordinary Shares are issued between the date of this document and immediately before the General Meeting, the Company's issued share capital will consist of 445,513,044 New Ordinary Shares after the Sub-Division.

#### **Impact of the Sub-Division**

The Sub-Division will consist of a sub-division of each Existing Ordinary Share of 50 pence each into four New Ordinary Shares of 12.5 pence each.

Following the Sub-Division, although each shareholder will hold more ordinary shares than before, each shareholder's proportionate interest in the ordinary share capital of the Company will remain unchanged.

It is only the number of shares in issue which will have changed as a result of the Sub-Division and, other than this, each New Ordinary Share will carry the same rights and entitlements as set out in the Company's Articles of Association that currently attach to the Existing Ordinary Shares. The New Ordinary Shares will rank equally with one another. It is expected that the market price of the shares will decrease to reflect the greater number of shares in issue.

Additionally, the Sub-Division will not have any impact on the Company's net assets as no change in the total aggregate nominal value of the Company's issued share capital will occur. Following the Sub-Division, and assuming no further shares in the Company are issued after the date of this document, the Company's issued share capital will consist of 445,513,044 New Ordinary Shares.

An application will be made to the UKLA for the Official List to be amended to reflect the New Ordinary Shares arising from the Sub-Division. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Trading on the London Stock Exchange for the Existing Ordinary Shares (under ISIN GB0007015521) is expected to close at 4.30 p.m. on 11 November 2015, with trading in the New Ordinary Shares (under ISIN GB00BYRJ5J14) expected to commence at 8.00 a.m. on 12 November 2015.

### **Settlement and Share Certificates for the New Ordinary Shares**

The Companies Act and the Articles of Association require that shareholder consent is sought from holders of Existing Ordinary Shares for the Sub-Division and approval will be sought at the General Meeting. Pending the issue of new share certificates, existing share certificates will remain valid until the Record Date in respect of the Sub-Division, which is close of business on 11 November 2015, being the date of the General Meeting.

It is anticipated that new certificates for the New Ordinary Shares will be issued and dispatched, at the risk of the relevant shareholder, by 25 November 2015 and that CREST holders will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 12 November 2015. Share certificates will be sent to the registered address of the relevant shareholder, or, in the case of joint holders, to the holder whose name appears first in the register of members. On receipt of the new share certificates, all share certificates previously issued will no longer be valid and should be destroyed. Only share certificates for New Ordinary Shares will be valid. **Any share certificate dated prior to 12 November 2015 will no longer be valid and will not be accepted in support of any instrument of transfer.**

If you do not receive a new share certificate (allowing for the time of postage from the date of dispatch) and you believe you are entitled to one please contact our registrars, Equiniti (contact details can be found on page ii of this document).

The existing ISIN (under ISIN GB0007015521) will be disabled as at 6.00 p.m. on 11 November 2015 with a new ISIN for the New Ordinary Shares under ISIN GB00BYRJ5J14 commencing at 8.00 a.m. on 12 November 2015.

Existing mandates and instructions for the payment of dividends will, unless and until revoked or amended, continue to apply to the New Ordinary Shares.

### **Scrip Dividend Plan**

All existing evergreen or recurring instructions relating to the scrip dividend plan (the "**Scrip**") operated by the Company (including any recurring Scrip mandates received in hard copy or by electronic means via CREST) will operate in respect of the New Ordinary Shares.

CREST participants need to input a dividend election input message to elect for the Scrip or delete any current instruction. Paper instructions from CREST participants are not permitted. All existing evergreen instructions relating to the Scrip will be capable of operation in respect of the New Ordinary Shares. CREST holders should note, however, that the election may not be viewable in CREST following the Sub-Division becoming effective. CREST holders will need to delete the current instruction in place and resubmit a new instruction under the new ISIN.

### **General Meeting**

A notice convening a General Meeting of the Company to be held at 11.00 a.m. on 11 November 2015 at the offices of Nabarro LLP at 125 London Wall, London EC2Y 5AL is set out at the end of this document.

A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to seek shareholders' approval for the Sub-Division. The Sub-Division is conditional upon the passing of the Sub-Division Resolution. The resolution provides for each Existing Ordinary Share to be sub-divided into four New Ordinary Shares.

If you hold Existing Ordinary Shares in the Company, you are entitled to attend and vote at the General Meeting.

#### **Action to be taken**

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at that meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, so as to arrive by 11.00 a.m. on 9 November 2015. Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish. CREST members may register the appointment of a proxy by using the CREST electronic proxy appointment service to complete and transmit a CREST proxy instruction to ID RA19 so that it is received no later than 11.00 a.m. on 9 November 2015.

#### **Recommendation**

**The Board considers the terms of the Sub-Division to be in the best interests of the Company and its shareholders as a whole.**

**Accordingly, the Board unanimously recommends that shareholders vote in favour of the Sub-Division Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings amounting (as at 14 October 2015, being the latest practicable date prior to the posting of this document) to an aggregate of 754,879 Existing Ordinary Shares, representing approximately 0.68% per cent of the Existing Ordinary Shares in issue.**

Yours faithfully,

Alun Jones  
*Chairman*

## PART II—DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

<b>“Articles of Association”</b> . . . . .	the articles of association of the Company as at the date of this document;
<b>“Board” or “Directors”</b> . . . . .	the directors of the Company as at the date of this document whose names are set out on page ii of this document;
<b>“Companies Act”</b> . . . . .	the Companies Act 2006, as amended;
<b>“Company” or “PHP”</b> . . . . .	Primary Health Properties PLC (incorporated in England and Wales with registered number 03033634);
<b>“CREST”</b> . . . . .	the UK based central securities depository operated by Euroclear;
<b>“Equiniti”</b> . . . . .	Equiniti Limited;
<b>“Existing Ordinary Shares”</b> . . . . .	the ordinary shares of 50 pence each in the capital of the Company in issue as at the date of this document and prior to the completion of the Sub-Division;
<b>“Financial Conduct Authority”</b> . . . . .	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA;
<b>“Form of Proxy”</b> . . . . .	the form of proxy relating to the General Meeting being sent to shareholders with this document;
<b>“FSMA”</b> . . . . .	the Financial Services and Markets Act 2000, as amended;
<b>“General Meeting”</b> . . . . .	the general meeting of the Company convened for 11.00 a.m. on 11 November 2015 (or any adjournment of it), notice of which is set out at the end of this document;
<b>“London Stock Exchange”</b> . . . . .	London Stock Exchange PLC;
<b>“New Ordinary Shares”</b> . . . . .	the ordinary shares of 12.5 pence each in the capital of the Company following the Sub-Division;
<b>“Notice of General Meeting”</b> . . . . .	the notice of General Meeting set out on page 5 of this document;
<b>“Official List”</b> . . . . .	the official list of the Financial Conduct Authority;
<b>“Record Date”</b> . . . . .	6.00 p.m. on 11 November 2015;
<b>“Sub-Division”</b> . . . . .	the share capital sub-division to be proposed pursuant to the Sub-Division Resolution whereby, if such resolution is approved by shareholders, every Existing Ordinary Share will be sub-divided into four New Ordinary Shares;
<b>“Sub-Division Resolution”</b> . . . . .	the resolution to be proposed at the General Meeting in connection with the Sub-Division as set out in the Notice of General Meeting;
<b>“UK” or “United Kingdom”</b> . . . . .	the United Kingdom of Great Britain and Northern Ireland; and
<b>“UKLA” or “UK Listing Authority”</b> . . . . .	the United Kingdom Listing Authority.



**PART III—NOTICE OF GENERAL MEETING**

**PRIMARY HEALTH PROPERTIES PLC**

**NOTICE OF GENERAL MEETING**

**NOTICE** is hereby given that a General Meeting of Primary Health Properties PLC (the “**Company**”) will be held at 11.00 a.m. on 11 November 2015 at the offices of Nabarro LLP at 125 London Wall, London EC2Y 5AL (the “**General Meeting**”) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

**THAT:**

in accordance with Article 44 of the Company’s articles of association each issued ordinary share of 50 pence in the capital of the Company be sub-divided into four ordinary shares of 12.5 pence each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 50 pence each in the capital of the Company as set out in the articles of association of the Company for the time being.

**By order of the Board**

Nexus Management Services Limited  
Company Secretary

15 October 2015

*Registered Office: 5<sup>th</sup> Floor, Greener House, 66-68 Haymarket, London SW1Y 4RF*  
*Registered in England and Wales No: 03033634*

**Notes:**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of shares held by you). Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.
2. A proxy form is provided with this notice and instructions for use are shown on the proxy form. In order to be valid, a completed proxy form must be returned to the Company by one of the following methods:
  - in hard copy form by post, by courier or by hand to the Company's Registrar, Equiniti at the address shown on the proxy form to be received not less than 48 hours before the time fixed for the General Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day); or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, and in each case must be received by Equiniti not less than 48 hours before the time fixed for the General Meeting or any adjournment(s) thereof (excluding any part of any day that is not a working day). Please note that any electronic communication sent to Equiniti in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.
3. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
4. The return of a completed proxy form will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.
6. In order for a proxy appointment or instruction made using a CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti agent ID RA19 no later than 48 hours (excluding any part of a day that is not a working day) before the meeting.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in

particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (“Nominated Persons”). The right to appoint proxies does not apply to Nominated Persons: they can only be exercised by the member. However, in accordance with section 149(2) of the Companies Act 2006, a Nominated Person may have a right under an agreement with the registered member who has nominated him to be appointed, or to have someone else appointed, as a proxy for this meeting. If a Nominated Person does not have such right, or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated Persons should contact the registered member by whom they were nominated in respect of these arrangements.

10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

11. You may not use any electronic address provided either in this notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

12. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 p.m. on 9 November 2015 or, in the event of any adjournment, 6.00 p.m. on the date which is two days before the day of the adjourned meeting (excluding any part of any day that is not a working day). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

13. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

14. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.phpgroup.co.uk](http://www.phpgroup.co.uk).

15. As at 14 October 2015 the Company’s issued share capital consisted of 111,378,261 Ordinary Shares carrying one vote each and therefore the total number of voting rights is 111,378,261.

