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If you have sold or otherwise transferred all of your Shares, please send this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# **Al Noor Hospitals Group PLC**

*Incorporated in England and Wales under the Companies Act 2006 with registered number 08338604*

## **Proposed lease agreements relating to certain properties in Abu Dhabi between Al Noor Hospitals Group PLC and Al Saqr Property Management LLC**

**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 Al Noor Hospitals Group PLC which is set out on pages 3 to 6 of this document and which 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 Al Noor Hospitals Group PLC to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ (the “**Principal Meeting Place**”) at 10.00 a.m. on 24 August 2015, with an audio-visual link to a satellite meeting at Linklaters LLP, Ninth Floor, Currency House, Dubai International Financial Centre, PO Box 506516, Dubai, United Arab Emirates (the “**Satellite Meeting Place**”) commencing at 1.00 p.m. (UAE time), is set out on pages 14 to 16 of this document. A Form of Proxy for use at the General Meeting is enclosed and, to be valid, should be completed, signed and returned so as to be received by the Company's registrars, Capita of 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible but, in any event, so as to arrive no later than 10.00 a.m. on 22 August 2015. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

The Transaction is conditional on the approval of Shareholders at the General Meeting.

A summary of the action to be taken by Shareholders is set out on page 6 of this document and in the notice of General Meeting.

Jefferies International Limited, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for Al Noor Hospitals Group PLC and no-one else in connection with the Transaction and will not be responsible to any other person other than Al Noor Hospitals Group PLC for providing the protections afforded to clients of Jefferies International Limited nor for providing advice in relation to the contents of this document or the Transaction.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown in this document are London times unless otherwise stated

Latest time and date for receipt of Forms of Proxy	10.00 a.m. 22 August 2015
General Meeting	24 August 2015
Expected date of entry into the Transaction	24 August 2015

## PART I

### LETTER FROM THE CHAIRMAN OF AL NOOR HOSPITALS GROUP PLC

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 08338604)*

Al Noor Hospitals Group PLC  
1st Floor  
40 Dukes Place  
London  
EC3A 7NH

7 August 2015

To Shareholders

Dear Shareholder

#### **Proposed lease agreements between Al Noor Hospitals Group PLC (“Al Noor” or the “Company”) and Al Saqr Property Management LLC (“Al Saqr”)**

##### **1. Introduction**

Consistent with its strategy to expand hospital operations in the UAE through the expansion of Al Ain Hospital, Khalifa Street Hospital and Airport Road Hospital, Al Noor has agreed to lease additional premises from Al Saqr, conditional on Shareholders’ approval.

Al Saqr is the dedicated real estate development company of (and a wholly-owned subsidiary of) United Al Saqr Group LLC (“**United Al Saqr Group**”). Sheikh Mohammed Bin Butti Al Hamed (“**SMBB**”), a principal shareholder of Al Noor with a shareholding of approximately 28.25 per cent. of the issued share capital of the Company, has a controlling interest in the shares of United Al Saqr Group.

Given the relationship between Al Saqr or United Al Saqr Group and SMBB, the Transaction is a related party transaction for the purposes of the Listing Rules. As such, the Transaction is conditional on Shareholder approval, which will be sought at a General Meeting convened for 24 August 2015.

The purpose of this Circular is to: (i) explain the background to and reasons for the Transaction; (ii) explain why the Board considers the Transaction to be fair and reasonable so far as the Shareholders are concerned and to be in the best interests of the Company and its Shareholders as a whole; and (iii) recommend that you vote in favour of the Resolution to be proposed at the General Meeting.

##### **2. Relationship with Al Saqr and the United Al Saqr Group**

SMBB has a controlling interest in the shares of United Al Saqr Group. United Al Saqr Group owns and manages a diverse yet complementary portfolio of six UAE-based companies encompassing a number of key industry sectors, particularly the construction and automotive industries. Al Saqr is a wholly-owned subsidiary of the United Al Saqr Group and is the dedicated real estate development and leasing arm of the group. In addition to Al Saqr, the United Al Saqr Group includes Abu Dhabi Motors, Dalma Motors, Royal International Construction, Royal Joinery and United Al Saqr Heavy Equipment.

The relationship between the United Al Saqr Group and the Company is as follows:

- Sheikh Mansoor Bin Butti, who is a Non-Executive Director of Al Noor, is the Chairman of the Board of United Al Saqr Group and is interested in the shares of United Al Saqr Group. He is also the son of SMBB;
- Ahmad Nimer, who is a Non-Executive Director of Al Noor, is the CEO of United Al Saqr Group; and
- SMBB, one of Al Noor’s principal shareholders (with a shareholding of approximately 28.25 per cent. of the issued share capital), has a controlling interest in the shares of United Al Saqr Group.

The Company has also entered into existing leases with Al Saqr in 2012 in respect of its material operating properties, namely, Airport Road, Al Ain and Khalifa Street (as further described in “Section 4. Background to and reasons for the Transaction” below). As described in Part III (*Additional Information – Material contracts*) below, the Company has entered into the Relationship Agreement with its principal shareholders, including SMBB.

### 3. Voting at the General Meeting

In accordance with the Listing Rules, SMBB and Sheikh Mansoor Bin Butti will not vote on the Resolution to be proposed at the General Meeting and have undertaken to take all reasonable steps to ensure that their associates will not vote on the Resolution.

### 4. Background to and reasons for the Transaction

#### **Reasons for the Transaction**

The Transaction is in line with the Board's strategy of leveraging Al Noor's existing asset base to take advantage of the strength of the Abu Dhabi healthcare market, which remains one of the fastest growing sectors in the Gulf region due to a rapidly ageing demographic, an increasing incidence of lifestyle-related medical conditions such as diabetes and obesity, and service gaps in the current healthcare market.

The additional space to be secured under the Transaction will allow Al Noor to build on its position as the largest private healthcare service provider in the Abu Dhabi Emirate by increasing its capacity and service offering across all of its hospitals:

- *Khalifa Street Hospital*: more than double the capacity for emergency services, allows for expansion of outpatient clinics, improves access and patient flow for all clinical services outpatients thus creating a more patient centric environment, and meets the health authority's future requirement for hospitals to be in single use buildings;
- *Al Ain Hospital*: increase bed capacity by over 50% and add a necessary additional operating theatre; and
- *Airport Road Hospital*: nearly double the hospital bed capacity with an additional 100 bed purpose built hospital.

The Board believes that by investing to develop Al Noor's hospital capacity in Abu Dhabi, it will deliver superior returns for shareholders in the long term.

#### **Existing properties and leases**

Al Noor's three existing hospitals, namely Al Ain Hospital, Khalifa Street Hospital and Airport Road Hospital, are responsible for generating the majority of the Company's revenue. All three hospitals' premises are currently leased from Al Saqr pursuant to existing lease agreements in place since 2012. These existing lease agreements are due to expire in 2036.

The table below summarises the key terms of the existing lease agreements for the Group's three hospitals in Airport Road, Al Ain and Khalifa Street.

Facility	Size (sq. m)	Expiry of Lease	Landlord <sup>(1)</sup>	Rent <sup>(2)</sup> (U.S.\$ million)	Renewal Provisions (applicable to all leases)	Termination Provisions (applicable to all leases)
Airport Road Hospital	21,585	2036	Al Saqr	4.4	Intention to renew/not renew must be provided in writing by either party at least one year before expiration or earlier if required by law; and  Tenant has the option to renew the lease for another term, subject to the parties agreeing the rent in good faith.	Usage of premises different than agreed with landlord;  Non-payment by Al Noor.
Al Ain Hospital	6,802	2036	Al Saqr	1.6		
Khalifa Street Hospital	15,613	2036	Al Saqr	2.6		

#### **Notes:**

(1) Al Saqr Property Management LLC is a company within the United Al Saqr Group and SMBB, one of the Company's principal shareholders, has a controlling interest in the shares of United Al Saqr Group. Ahmad Nimer, a Non-Executive Director of the Company, is the CEO of United Al Saqr Group. Sheikh Mansoor Bin Butti, a Non-Executive Director of Al Noor, is the Chairman of, and is interested in the shares of, United Al Saqr Group.

(2) Rent for each of the hospitals is fixed at the price indicated through 2031, at which point rent for each property will increase by 5 per cent. for each year from 2032 through 2036. The rental amounts under the lease are in AED, which have been converted into U.S.\$ in this table using the exchange rate of 3.67.

### **Proposed Transaction**

In line with its strategy to expand hospital operations in the UAE through the expansion of Al Ain Hospital, Khalifa Street Hospital and Airport Road Hospital, Al Noor is proposing to lease additional premises in buildings which currently house Al Noor hospitals and in buildings (including a new building to be built by Al Saqr) adjacent to the existing hospital buildings, as described further below (the “**Transaction**”). The Transaction is consistent with the Company’s previously announced corporate strategy.

- *Al Ain Hospital:* Al Noor currently occupies 6,802 sqm for the Al Ain Hospital and is proposing to lease a new building known as the “Jasmine Building” (approximately 6,585 sqm) which is located adjacent to the existing Al Ain Hospital. Under the proposed lease agreement (which amends the existing lease), the Jasmine Building will be leased to Al Noor on the same terms as apply to the existing Al Ain Hospital building (other than with respect to the new premises, rental amounts (which have been agreed at a rate that is approximately 10 per cent. higher than the rent for the existing premises) and a six month rent-free period). All other terms of the existing lease as they relate to the existing premises remain unchanged.
- *Khalifa Street Hospital:* Al Noor has converted 79 flats into modern outpatient and inpatient clinical space in the Khalifa Street Hospital building. The proposed Transaction will result in Al Noor occupying the remainder of the Khalifa Street building allowing for expansion of clinical services, accommodating consolidation of Group functions such as laboratory services and meeting the health authority’s requirement for hospitals to be in single use buildings. The new premises will include: (i) the remaining 72 flats and 70 parking spaces in the Khalifa Street building; and (ii) the entire ground floor (comprising 1,139.50 sqm) and the mezzanine level (comprising 1,431.86 sqm) of the Khalifa Street building. Under the proposed lease agreement (which amends the existing lease), the premises comprising the remainder of the Khalifa Street building will be leased to Al Noor on the same terms as apply to the existing Al Khalifa Street Hospital lease (other than with respect to the new premises, rental amounts and in respect of the ground floor and mezzanine floors only, a six month rent-free period). All other terms of the existing lease as they relate to the existing premises remain unchanged.
- *Airport Road Hospital:* Al Noor currently occupies the entire building in which the Airport Road Hospital operates and proposes to lease a new hospital building to be built by Al Saqr to a similar size as the existing hospital building on the unutilised adjacent land (“**Airport Road Extension**”). Under the proposed Transaction, Al Noor will: (i) enter into an agreement with Al Saqr relating to the construction of the Airport Road Extension by Al Saqr; and (ii) following the completion of its construction, enter into a new lease agreement with Al Saqr relating to the Airport Road Extension. The cost of the construction of the Airport Road Extension is agreed at AED 330 million (approximately U.S.\$90 million) (and any variation will need to be agreed by the parties) which will be borne by Al Saqr. Rent is proposed to be a rate per annum of 8 per cent. of the agreed construction costs (approximately AED 26.4 million (approximately U.S.\$7.2 million) per annum), with a 12 month rent-free period from handover of the lease to enable fit outs. Other than with respect to rent and the 12 month rent-free period relating to the new premises, all other terms of the lease are on similar terms as the existing leases that Al Noor has entered into with Al Saqr.

The agreements relating to the Transaction will be entered into by Al Noor Medical Company – Al Noor Hospital – Al Noor Pharmacy and Al Noor Warehouse LLC, an operating subsidiary of Al Noor as the tenant, and Al Saqr as the landlord.

The proposed Lease Agreements are intended to secure additional space for Al Noor on a long-term basis to facilitate its stated corporate strategy to expand its existing operations.

### **5. Terms of the Transaction**

Al Noor has entered into a framework agreement with Al Saqr dated on or around the date of this document (the “**Framework Agreement**”), which provides that, conditional upon the passing of the Resolution at the General Meeting, the parties will enter into the Khalifa Street Lease Amendment Agreement, the Jasmine Building Lease Amendment Agreement and the Agreement to Build and Lease.

Each Lease Agreement is a long-term lease, with a contract length of between 21 and 23 years, and an option for Al Noor to terminate by giving 12 months’ notice (and no termination costs are payable).

Al Noor has the option to renew each lease for another term by giving 12 months' notice prior to expiry of the term, subject to the parties negotiating the renewal and agreeing the rent in good faith.

Under the Khalifa Street Lease Amendment Agreement and the Jasmine Building Lease Amendment Agreement, rent for each property is fixed from commencement of the term of the lease until 2031, at which point rent will increase by 5 per cent. for each year from 2032 through 2036. Under the Airport Road Extension Lease Agreement, rent for each property is fixed from commencement of the term of the lease until 2034, at which point rent will increase by 5 per cent. in each year from 2035 through 2039. As detailed in Part II of this document, Al Noor also benefits from certain rent-free periods in respect of certain new premises in accordance with the terms of the relevant Lease Agreement.

The Lease Agreements and the Agreement to Build and Lease are conditional upon the Company obtaining the approval of Shareholders at the General Meeting. Al Noor expects to enter into:

- the Khalifa Street Lease Amendment Agreement, the Jasmine Building Lease Amendment Agreement and the Agreement Build and Lease on or after the date on which approval of Shareholders at the General Meeting is obtained; and
- in relation to Airport Road Extension, the Airport Road Extension Lease Agreement following completion of its construction (which is currently planned for July 2017).

A summary of the Lease Agreements and the Agreement to Build and Lease is set out in Part II of this document.

## **6. General Meeting**

The Transaction is conditional upon Shareholders' approval being obtained at the General Meeting. Accordingly, you will find set out at the end of this document a notice convening a General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ (the Principal Meeting Place) at 10.00 a.m. on 24 August 2015, with an audio-visual link to a satellite meeting at Linklaters LLP, Ninth Floor, Currency House, Dubai International Financial Centre, PO Box 506516, Dubai, United Arab Emirates (the Satellite Meeting Place) commencing at 1.00 p.m. (UAE time), at which the Resolution will be proposed to approve the Transaction.

## **7. 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 the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received by the Company's registrars, Capita of 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 10.00 a.m. on 22 August 2015. The return of a Form of Proxy will not prevent you from attending the meeting and voting in person if you wish.

## **8. Further information**

Your attention is drawn to the further information contained in Parts II to III of this document.

## **9. Recommendation**

The Board, which has been so advised by Jefferies International Limited, considers the Transaction to be fair and reasonable so far as the Shareholders of the Company are concerned. In providing advice to the Board, Jefferies International Limited has taken into account the Board's commercial assessment of the Transaction.

In addition, the Board considers the Transaction to be in the best interests of the Company and Shareholders as a whole and recommends Shareholders to vote in favour of the Resolution.

Sheikh Mansoor Bin Butti and Ahmad Nimer, Non-Executive Directors of the Company, who are connected with Al Saqr by virtue of their roles as Chairman and CEO of United Al Saqr Group respectively, have not taken part in the Board's consideration of the Transaction or in the recommendation to vote in favour of the Resolution.

Yours faithfully

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**Ian Tyler**  
*Non-Executive Chairman*

## PART II

### SUMMARY OF THE TRANSACTION AGREEMENTS

The following is a summary of the principal terms of the Transaction Agreements, comprising:

- (i) the Lease Agreements; and
- (ii) the Agreement to Build and Lease.

The Transaction Agreements and the Framework Agreement are available for inspection as described in Part III of this document.

Al Noor has entered into a framework agreement with Al Saqr dated on or around the date of this document (the “**Framework Agreement**”), which provides that, conditional upon the passing of the Resolution at the General Meeting, the parties will enter into the following agreements in connection with the Transaction:

- (i) the Khalifa Street Lease Amendment Agreement;
- (ii) the Jasmine Building Lease Amendment Agreement; and
- (iii) the Agreement to Build and Lease.

As such, entry into these Lease Agreements and the Agreement to Build and Lease is conditional upon the passing of the Resolution at the General Meeting. Additionally, in the case of the Airport Road Extension Lease Agreement, entry into that lease (following its construction) is also conditional on the Agreement to Build and Lease not having been terminated in accordance with its terms.

#### 1. New Premises to be leased

The new properties to which the Transaction Agreements relate are:

- 1.1 **Al Ain Hospital:** the Jasmine Building (approximately 6,585 sqm), a building adjacent to the Al Ain Hospital (the “**Jasmine Building**”);
- 1.2 **Khalifa Street Hospital:** the remaining parts of the Khalifa Street Hospital building not currently occupied by the hospital (comprising an additional 72 flats (and the remaining 70 parking spaces), the ground floor and mezzanine level of the Khalifa Street building) (the “**Remaining Khalifa Street Building**”); and
- 1.3 **Airport Road Hospital:** Airport Road Extension, a new building to be built by Al Saqr adjacent to the Airport Road Hospital. See *Section 5 – Agreement to Build and Lease – Airport Road Extension* below for further details,

(together, the “**New Premises**”).

#### 2. Lease Agreements

Al Noor is proposing to enter into the following agreements in respect of the New Premises with Al Saqr:

- 2.1 an amendment agreement to the existing lease agreement dated 18 July 2012, in respect of the Al Ain Hospital, to extend the existing lease to the Jasmine Building (the “**Jasmine Building Lease Amendment Agreement**”);
- 2.2 an amendment agreement to the existing lease agreement dated 18 July 2012, in respect of the Khalifa Street Hospital, to extend the existing lease to the Remaining Khalifa Street Building (the “**Khalifa Street Lease Amendment Agreement**”); and
- 2.3 a new lease to be entered into between Al Noor and Al Saqr following completion of construction of the Airport Road Extension (the “**Airport Road Extension Lease Agreement**”),

(together with the relevant existing lease agreements (as amended), the “**Lease Agreements**”). The Lease Agreements will be entered into by Al Noor Medical Company – Al Noor Hospital, Al Noor Pharmacy and Al Noor Warehouse LLC, an operating subsidiary of Al Noor.

Subject to the passing of the Resolution, Al Noor expects to enter into the Jasmine Building Lease Amendment Agreement, the Khalifa Street Lease Amendment Agreement and the Agreement to Build and Lease on or after the date on which Shareholders' approval at the General Meeting is obtained. In relation to the Airport Road Extension, Al Noor expects to enter into the Airport Road Extension Lease Agreement following completion of the construction of the Airport Road Extension by Al Saqr (currently planned for July 2017).

Under the proposed Lease Agreements for Al Ain Hospital and Khalifa Street Hospital, the existing terms as they relate to the existing premises remain unchanged, and these existing terms are extended to apply to the New Premises (subject to, in respect of the New Premises, changes to the rental amounts as agreed by the parties and certain agreed rent-free periods in relation to certain new premises).

### 3. Key Terms of the Lease Agreements

The total rental payments in respect of the New Premises over the length of the Lease Agreements (if the right to terminate is not exercised) for the New Premises is U.S.\$274,300,723 (AED 1,006,683,654) to be paid over an average period of 22 years. This is equal to an annual yearly rental expense of U.S.\$12,477,832 (AED 45,793,645).

The table below summarises the key terms of the Lease Agreements in respect of the New Premises:

<i>New Premises (to be leased)</i>	<i>Total proposed rent for the whole contract period (AED)</i>	<i>Proposed rent per annum (AED) <sup>(2)</sup></i>	<i>Proposed tenure of contract (years)</i>	<i>Expiry of Lease</i>	<i>Landlord <sup>(1)</sup></i>	<i>Rent-free period</i>	<i>Termination provision (applicable to all leases)</i>
<b>Jasmine Building <sup>(3)</sup></b>	61,886,034	2,750,490	22.5	31 December 2036	Al Saqr	6 months	Al Noor has the option to terminate lease on 12 months' notice (and no termination costs are payable)
<b>Khalifa 72 flats <sup>(3)</sup></b>	227,594,886	9,684,889	23.5	31 December 2036	Al Saqr	From inception	
<b>Khalifa Mezzanine &amp; Ground level <sup>(3)</sup></b>	128,432,236	5,973,592	21.5	31 December 2036	Al Saqr	6 months	
<b>Airport Road Extension <sup>(4)</sup></b>	588,770,498	27,384,674	21.5	31 December 2039	Al Saqr	12 months	
<b>Total-AED</b>	<b>1,006,683,654</b>	<b>45,793,645</b>	–	–	–	–	–
<b>Total-U.S.\$ (at a foreign exchange rate of 3.67)</b>	<b>274,300,723</b>	<b>12,477,832</b>	–	–	–	–	–

#### Notes:

- (1) Al Saqr Property Management LLC is a company within United Al Saqr Group LLC and SMBB, a principal shareholder of Al Noor, has a controlling interest in the shares of United Al Saqr Group. Sheikh Mansoor Bin Butti, a Non-Executive Director of Al Noor is the Chairman, and is interested in the shares of, United Al Saqr Group LLC. Ahmad Nimer, a Non-Executive Director of Al Noor, is the CEO of United Al Saqr Group LLC.
- (2) Rent under the Khalifa Street Lease Amendment Agreement and the Jasmine Building Lease Amendment Agreement is fixed at the price indicated, from commencement of the term of the lease until 2031, at which point rent will increase by 5 per cent. for each year from 2032 through 2036 in accordance with the terms of the lease. Rent under the Airport Road Extension Lease Agreement is fixed at the price indicated, from commencement of the term of the lease until 2034, at which point rent will increase by 5 per cent. in each year from 2035 through 2039, in accordance with the terms of the lease. This represents the annual rent expenses.
- (3) Al Noor is proposing to enter into amendment agreements in respect of the existing leases with Al Saqr to extend such leases in order to secure these additional premises (as indicated) for its operations in these locations.
- (4) Following completion of the construction of the Airport Road Extension (currently planned for July 2017), Al Noor will enter into a long-term lease in the agreed form with Al Saqr in respect of these premises.

### 4. Lease Agreements – Term and Termination

Each Lease Agreement is a long-term lease. The term of each Lease Agreement is between 21 and 23 years with an average length of 22 years. See the table under "Section 3 – Key Terms" above for further details.

Al Noor has the option to renew the lease for another term by giving 12 months' notice to the landlord prior to expiry of the term, subject to the parties negotiating the renewal and agreeing the rent in

good faith. The proposed Lease Agreements are governed by the laws of the Emirate of Abu Dhabi and the applicable federal laws of the United Arab Emirates.

Under each Lease Agreement, Al Noor has the option to terminate the lease by giving 12 months' prior notice (and no termination costs are payable) and Al Noor is entitled to a refund of the proportionate amount of rent paid in respect of the unused tenancy period (in respect of that year) after the termination date. Additionally, if the Ministry of Health or any other competent authority decides to cancel (or not to renew) the Company's commercial licence or not to allow the Company to conduct the permitted use of the premises under the relevant Lease Agreement for whatever reason, Al Noor has the right to terminate the lease with immediate effect.

Al Saqr has no right to terminate the Lease Agreement except in the event that Al Noor commits a material breach of the terms of the Lease Agreement and fails to remedy such breach within 90 days after receipt of written notice from Al Saqr (and Al Saqr does not exercise the option to remedy the breach itself).

#### ***Option to develop adjacent land***

Under the terms of the Airport Road Extension Lease Agreement, Al Noor is entitled to develop new building(s), annexed or separate to the existing building(s), as it deems necessary for its business activities, subject to obtaining the written approval of the landlord. The development of such new building(s), subject to agreement between the parties, may be undertaken by the landlord (in which case, the tenant will pay a fair amount equal to a percentage of the construction costs to the landlord) or by a third party contractor (in which case, no additional rent or amount will be paid by the tenant to the landlord).

### **5. Agreement to Build and Lease – Key Terms**

Al Noor is proposing to enter into an agreement relating to the construction by Al Saqr of the Airport Road Extension and to subsequently lease that premises from Al Saqr (the **"Agreement to Build and Lease"**). The agreement will be entered into by Al Noor Medical Company – Al Noor Hospital, Al Noor Pharmacy and Al Noor Warehouse LLC, an operating subsidiary of Al Noor, as tenant and Al Saqr as landlord.

Pursuant to the Agreement to Build and Lease, the construction of the Airport Road Extension will be undertaken by Al Saqr, subject to, amongst other things, the requirements of Al Noor. The costs of the construction of the Airport Road Extension is agreed at AED 330 million (approximately U.S.\$90 million) (and any variation will need to be agreed by the parties) which will be borne by Al Saqr. The parties anticipate that the building works relating to the Airport Road Extension will be completed by 15 July 2017.

Following completion of the construction of the Airport Road Extension, Al Noor and Al Saqr will enter into the Airport Road Extension Lease Agreement (substantially in the form of the lease annexed to the agreement). The terms of the Airport Road Extension Lease Agreement are further detailed above.

Under the terms of the proposed Agreement to Build and Lease, either party may terminate the agreement by written notice if the other party becomes bankrupt, insolvent, goes into liquidation, has a receiving or administration order made against it or similar events.

If, prior to the date of completion of the construction of the Airport Road Extension, Al Noor no longer requires the premises, it is entitled to issue a notice to the landlord to terminate the Agreement to Build and Lease with immediate effect. This termination right is exercisable at Al Noor's discretion. If the agreement is terminated in this way, the landlord will provide documentary evidence of its costs and the tenant will determine and pay to the landlord a fair and reasonable amount of compensation.

Al Noor is also entitled to terminate the Agreement to Build and Lease with immediate effect if the landlord fails to comply with and/or meet its obligations under the agreement, and no payment is payable to the landlord in that case. If the agreement is terminated in accordance with its terms, the obligation to enter into the Airport Road Extension Lease Agreement will also terminate.

Al Noor is entitled to assign its rights under the Agreement to Build and Lease without Al Saqr's consent, whereas Al Saqr is not entitled to assign its rights under the agreement without Al Noor's consent.

## PART III

### ADDITIONAL INFORMATION

#### 1. AI Noor Hospitals Group PLC

The Company was incorporated and registered in England and Wales on 20 December 2012 as a public company limited by shares under the Companies Act 2006 with the name "Al Noor Hospitals Plc" and with registered number 08338604. The Company was renamed "Al Noor Hospitals Group PLC" on 21 June 2013. The Company has a premium listing on the Main Market of the London Stock Exchange.

The registered office of the Company is 1st Floor, 40 Dukes Place, London, EC3A 7NH. The principal place of business of the Company is Khalifa Street, Abu Dhabi, United Arab Emirates 46713.

#### 2. Directors' interests in shares

##### 2.1 Shares

As at 7 August 2015 (being the latest practicable date prior to the publication of this document), Sheikh Mansoor Bin Butti and Ahmad Nimer do not hold any Shares in the share capital of the Company.

##### 2.2 Share options

As at 7 August 2015 (being the latest practicable date prior to the publication of this document), no option to acquire Shares had been granted to Sheikh Mansoor Bin Butti or Ahmad Nimer.

#### 3. Directors' service contracts

There are no existing or proposed service contracts between Sheikh Mansoor Bin Butti or Ahmad Nimer and the Company and its subsidiary undertakings, respectively.

Sheikh Mansoor Bin Butti and Ahmad Nimer are not entitled to receive any fees in respect of their Board appointments.

#### 4. Related party transactions

The Company has not entered into any related party transaction with or relating to Sheikh Mansoor Bin Butti or Ahmad Nimer during the period covered by the historical financial information up to the date of this document.

#### 5. Major Shareholders

As at 7 August 2015 (being the latest practicable date prior to the publication of this document) the Company had been notified of the following holdings in the Company's issued ordinary share capital pursuant to DTR 5 (each, a "Notifiable Interest"):

Shareholder	Number of shares	Number of voting rights	Percentage of voting rights attached to the issued ordinary share capital
Sapor Business Corp.*	33,018,320	33,018,320	28.25
Maksar Investments Ltd.*	7,055,946	7,055,946	6.04
Fidelity Management & Research	6,620,941	6,620,941	5.67
BlackRock Group	5,468,893	5,468,893	4.68
Wellington Management Group LLP	5,172,449	5,172,449	4.43
Emirates NBD Bank	4,836,000	4,836,000	4.14
Woodford Investment Management	4,750,000	4,750,000	4.06

\* Sheikh Mohammed Bin Butti Al Hamed's and Dr Kassem Alom's holdings of ordinary shares of the Company are held by Sapor and Maksar, respectively.

Save as set out above, the Company is not aware of any other Notifiable Interests.

## **6. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) are the only contracts which: (A) the Shareholders would reasonably require in making a properly informed assessment of how to vote on the Resolution; and (B)(i) have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this document and are, or may be, material; or (ii) have been entered into at any time by the Company or any member of the Group and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this document.

### ***Relationship Agreement***

At or around the date of listing on the London Stock Exchange, Al Noor entered into a relationship agreement (the “**Relationship Agreement**”) with its principal shareholders, including SMBB and Dr Kassem Alom. The Relationship Agreement was amended and restated in November 2014 to comply with certain changes to the Listing Rules.

The principal purpose of the Relationship Agreement is to ensure that the Company is capable of carrying out its business independently and that transactions and relationships with related parties are at arm’s length and on normal commercial terms. United Al Saqr Group and Al Saqr (as an associate of SMBB) has been subject to the terms of the Relationship Agreement whilst conducting the negotiations around the proposed Transaction and, as such, has been subject to the requirement to transact with the Company at arm’s length and on normal commercial terms.

Furthermore, under the Relationship Agreement, each principal shareholder has agreed to abstain from voting on any transaction to be entered into between the Company and any principal shareholder or members of its group. Pursuant to this provision, in addition to the undertakings not to vote referred to earlier in this document, Dr Kassem Alom will not vote on the resolution to approve the Transaction.

## **7. Significant changes**

There has been no significant change in the financial or trading position of the Group since 31 December 2014, the date to which the last published audited financial statements were prepared.

## **8. Consent**

Jefferies International Limited has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

## **9. Documents available for inspection**

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 40 Dukes Place, London EC3A 7NH and at the General Meeting venue (the offices of Linklaters LLP) up to and including the date of the General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the consent letter referred to in paragraph 8 above;
- (c) the Framework Agreement, the Lease Agreements and the Agreement to Build and Lease;
- (d) the consolidated audited accounts of the Group for each of the two financial years ended 31 December 2013 and 31 December 2014; and
- (e) this document and the Form of Proxy.

## DEFINITIONS

The following definitions apply throughout this document, unless stated otherwise:

<b>Agreement to Build and Lease</b>	means the agreement to be entered into between Al Noor and Al Saqr relating to the construction of the Airport Road Extension, as described in Part II of this document
<b>Airport Road Extension</b>	means a new building adjacent to the Airport Road Hospital to be built by Al Saqr pursuant to the Agreement to Build and Lease and to be leased to Al Noor following its completion on the terms of the Airport Road Extension Lease Agreement
<b>Al Saqr</b>	means Al Saqr Property Management LLC, a subsidiary of the United Al Saqr Group
<b>Board</b>	means the board comprising the Directors
<b>Company</b> or <b>Al Noor</b>	means Al Noor Hospitals Group PLC
<b>Directors</b>	means the directors of the Company
<b>DTR</b>	means the Disclosure and Transparency Rules made by the FCA pursuant to Part VI of FSMA
<b>Form of Proxy</b>	means the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting
<b>FCA</b>	means the Financial Conduct Authority
<b>FSMA</b>	means Financial Services and Markets Act 2000
<b>General Meeting</b>	means the general meeting of the Company to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 24 August 2015 at 10.00 a.m., with an audio-visual link to a satellite meeting at Linklaters LLP, Ninth Floor, Currency House, Dubai International Financial Centre, PO Box 506516, Dubai, United Arab Emirates (the satellite meeting place) commencing at 1.00 p.m. (UAE time) (or any adjournment thereof, notice of which is set out at the end of this document)
<b>Group</b>	means the Company and its subsidiary undertakings
<b>Jasmine Building</b>	means the building adjacent to the Al Ain Hospital known as the "Jasmine Building"
<b>Lease Agreements</b>	means the amendments to the existing lease agreements and/or the new lease agreement to be entered into between Al Noor and Al Saqr relating to the New Premises, as described in Part II of this document
<b>Listing Rules</b>	means the Listing Rules issued and maintained by the FCA under Part VI of FSMA
<b>New Premises</b>	means the additional premises to be leased from Al Saqr, namely, the Jasmine Building, the Remaining Khalifa Street Building and, following completion of its construction, the Airport Road Extension, on the terms of the relevant Lease Agreement
<b>Remaining Khalifa Street Building</b>	means the remaining part of the Khalifa Street Hospital building not currently occupied by the hospital (comprising an additional 72 flats (and the remaining 70 parking spaces), the ground floor and mezzanine level of the Khalifa Street building)
<b>Resolution</b>	means the ordinary resolution to approve the Transaction as set out in the notice of General Meeting at the end of this document

<b>Shares</b>	means the ordinary shares of GBP 10 pence each in the capital of the Company
<b>Shareholders</b>	means the holders of the Shares
<b>SMBB</b>	means Sheikh Mohammed Bin Butti Al Hamed, a principal shareholder of the Company
<b>Transaction</b>	means, in relation to the New Premises, the proposed entry into the Lease Agreements and the Agreement to Build and Lease
<b>Transaction Agreements</b>	means the Lease Agreements and the Agreement to Build and Lease
<b>UAE</b>	means the United Arab Emirates
<b>United Al Saqr Group</b>	means United Al Saqr Group LLC

## NOTICE OF GENERAL MEETING

# Al Noor Hospitals Group PLC

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 08338604)*

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Al Noor Hospitals Group PLC (the “**Company**”) will be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ (the “**Principal Meeting Place**”) on 24 August 2015 at 10.00 a.m., with an audio-visual link to a satellite meeting at Linklaters LLP, Ninth Floor, Currency House, Dubai International Financial Centre, PO Box 506516, Dubai, United Arab Emirates (the “**Satellite Meeting Place**”) commencing at 1.00 p.m. (UAE time), to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution.

### Ordinary resolution

THAT the Transaction, on the terms set out in the Transaction Agreements (both as defined in the circular to shareholders dated 7 August 2015 (the “**Circular**”)), be and is hereby approved and the Directors (or a committee of the Directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Transaction Agreements (provided that any such waivers, amendments, variations or extensions are not of a material nature) and to do all things as they may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Transaction and any matters incidental to the Transaction.

*By order of the Board,*

### Capita Company Secretarial Services Limited

Corporate Secretary

7 August 2015

*Registered office:*

Al Noor Hospitals Group PLC  
1st Floor  
40 Dukes Place  
London  
EC3A 7NH

### Notes to the Notice of the General Meeting

The following notes explain your general rights as a shareholder and your right to attend and vote at this General Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at 10.00 a.m. on 22 August 2015 (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned meeting). 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. There are no other procedures or requirements for entitled shareholders to comply with in order to attend and vote at the General Meeting. In alignment with best practice for Listed Companies, it is the current intention that each of the resolutions to be put to the General Meeting will be voted on by way of a poll and not by show of hands. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account.
2. At the Principal Meeting Place, doors will open at 9.00 a.m. to enable you to register and take your seat in good time. Light refreshments will be provided at the meeting. If you have any special needs or require wheelchair access to the London offices of Linklaters LLP, please contact Linklaters Reception on +44 20 7456 2000 in advance of the meeting. For shareholders intending to attend the Satellite Meeting at the Linklaters Dubai office, please inform our Registrar, Capita, a day in advance of the General Meeting on 0371 664 0321 as numbers may be restricted due to reasons of safety and convenience. At the Satellite Meeting Place the doors will open at 12 p.m. (UAE time) to enable you to register and take your seat in good time. Light refreshments will be provided at the meeting. If you have any special needs or require wheelchair access to the Dubai offices of Linklaters LLP, please contact Linklaters Dubai Reception on +971 4369 5800 in advance of the meeting. Mobile phones may not be used in the meeting hall, and cameras and recording equipment are not allowed in the meeting hall.
3. Members are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General 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 ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Capita, on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United

Kingdom are charged at the applicable international rate. Lines are open Monday – Friday, 9.00 a.m. – 5.30 p.m. (excluding UK public holidays).

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3, 4 and 8 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
8. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the form of proxy or, in the case of shares held through CREST, via the CREST system (see note 11 below). As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). In each case, for proxy appointments to be valid, they must be received by no later than 10.00 a.m. on 22 August 2015. If you return more than one proxy appointment, either by paper or electronic communication, that proxy appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
9. The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 12 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the General Meeting) by following the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 22 August 2015. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.
13. 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 no more than one corporate representative exercises powers in relation to the same shares.
14. As at 7 August 2015 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 116,866,203 ordinary shares, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 7 August 2015 are 116,866,203.
15. Any member attending the 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: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
16. You may not use any electronic address provided in either this Notice or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
17. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at [www.alnoorhospital.com](http://www.alnoorhospital.com).

