

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all or some of your shares in the capital of Primary Health Properties PLC, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents to the person who now holds the shares.

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**Primary Health Properties PLC**  
(incorporated and registered in England and Wales under number 3033634)

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of the company to be held on 17 June 2008 at 2.30 pm in the Board Room, Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received no later than 2.30 pm on 15 June 2008.

## PART 1

### Primary Health Properties PLC

(incorporated and registered in England and Wales under number 3033634)

Directors:

Graeme A Elliot (Non-executive Chairman)  
Harry A Hyman (Managing Director)  
Martin Gilbert (Non-executive Director) (*alternate: W J C Hemmings*)  
James D Hambro (Non-executive Director)  
Dr Ian P Rutter OBE (Non-executive Director)  
Alun R Jones (Non-executive Director)  
(together the "Directors" or the "Board")

Registered Office:  
Ground Floor, Ryder Court  
14 Ryder Street  
London SW1Y 6QB

22 April 2008

*To the Shareholders*

#### Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which we are holding on 17 June 2008 at 2.30 pm in the Board Room at Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB. The formal Notice of Annual General Meeting is set out on pages 5 to 8 of this document and sets out the items of business to be considered.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 2.30 pm on 15 June 2008.

In accordance with A.7.2 of the Combined Code Non-executive Chairman Graeme Elliot and Non-executive Directors Martin Gilbert and James Hambro are subject to annual election and accordingly resolutions to reappoint them will be put to the Annual General Meeting and are included in the Notice of Annual General Meeting on page 5. Resolutions 3 to 5 relate to the re-election of these Directors.

Dr Rutter retires by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election. Resolution 6 of the Notice of Annual General Meeting deals with his re-election.

#### Dividend

Shareholders are not being asked to approve a final dividend on the ordinary shares for the period ended 31 December 2007. Instead, Shareholders were paid a third interim dividend in respect of the period ended 31 December 2007 on 28 March 2008.

#### Biographical details of those Directors to be re-elected

Graeme Elliot, aged 65, Non-Executive Chairman. Appointed February 1996. Mr Elliot was formerly Executive Vice-Chairman of Slough Estates PLC, prior to which he held senior positions at Rio Tinto Plc.

Martin Gilbert, aged 52, Non-Executive Director (alternate William J C Hemmings). Appointed May 1996. Mr Gilbert is Chief Executive of Aberdeen Asset Management PLC.

Clients of its wholly owned subsidiary Aberdeen Asset Managers Limited are interested in 4.62% of the total voting rights of the Company. He is Chairman of FirstGroup PLC, Chaucer PLC and a director of a number of investment trusts.

James Hambro, aged 59, Non-Executive Director. Appointed February 1996. Mr Hambro is Chairman of J O Hambro Capital Management Group Limited and its subsidiary undertakings including J O Hambro Capital Management Limited which acts as the Company's Joint Manager and Company Secretary. He is also Chairman of Hansteen Holdings PLC and Wichford Property Management Limited and a director of Singer & Friedlander AIM 3 VCT PLC, Wiltons Holdings Limited and a number of private companies. He is Chairman of The Henry Smith Charity and of the International Students Trust.

Dr Ian Rutter O.B.E., aged 54, Non Executive Director. Appointed to the Board and as a Member of the Audit Committee on 22 September 2005. He has been a General Practitioner for 24 years with the Westcliffe Practice in Shipley, Yorkshire previously First Wave and Total Purchasing Practice. He was until January 2006 Chief Executive of North Bradford PCT, a Three Star Trust having previously won the Prime Minister's award for excellence and which won the PCT of the Year in 2006. He is a clinical advisor in the Policy & Strategy Directorate of the Department of Health and a Deputy Director of the Primary Care and Commissioning Role. Former Joint Chief Executive Officer of Airedale PCT and North Bradford PCT. He has also worked as an associate of the Prime Minister's Delivery Unit and at a senior level within the Department of Health and on committees such as Payment by Results. Dr Rutter retains an ongoing clinical commitment and was made O.B.E. for Services to Medicine in January 2000 in recognition of his contribution to general practice and numerous national organisations.

The Chairman and other members of the Board recommend that the Directors retiring be re-elected. The Chairman has confirmed that all Directors retiring and seeking re-election have been subject to performance evaluation and as part of this evaluation the Chairman confirms that they continue to demonstrate commitment to their role and in his view continue to fulfil their functions responsibly. The other members of the Board have evaluated the performance of the Chairman and recommend his reappointment.

Resolution 7 is the resolution to re-appoint Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration.

## **Explanatory Notes for the Special Business to be transacted at the Annual General Meeting**

### **Resolution 8 - Renewal of Directors' Authority to allot shares**

The authority given to the Directors at the Annual General Meeting of the Company held on 15 November 2007 to allot shares expires at the conclusion of this year's Annual General Meeting. Resolution 8 will renew the authority to allot Ordinary Shares of the Company on similar terms as in previous years. Resolution 8, if passed, will permit the Directors to allot Ordinary Shares of the Company up to an aggregate nominal amount of £5,597,849 representing one third of the issued share capital. This authority will expire at the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution.

The Directors have no present intention of exercising the authority (if renewed) to allot the Ordinary Shares but reserve the right to allot the Ordinary Shares at any time.

### **Resolution 9 - Renewal of Directors' Authority for the disapplication of pre-emption rights**

The authority given to Directors to disapply pre-emption rights expires at the Annual General Meeting. Resolution 9 will renew the disapplication of pre-emption rights thereby authorising the Directors to allot equity securities up to a maximum aggregate renewal amount of £839,677 representing 1,679,354 Ordinary Shares of 50 pence each, being equivalent to 5% of the current issued share capital, without first offering such securities to existing Shareholders. The Directors have no present intention to allot shares for cash without first offering them to existing shareholders. Over a three year rolling period this disapplication will not exceed 7.5% of issued share capital.

### **Resolution 10 - Renewal of authority to purchase the Company's own shares**

The authority for the Company to purchase a maximum of 3,358,709 Ordinary Shares in the market, representing 10% of the issued share capital, expires at the forthcoming Annual General Meeting. It was not used during the current year and Resolution 10 renews this authority for a further year. The Directors intend to exercise this authority only when, in the light of market conditions prevailing at the time and taking into account investment opportunities, appropriate gearing levels and the overall financial position, they believe that the effect of such purchases will be to increase the underlying value per Ordinary Share having regard to the interests of Shareholders generally. Shares will not be bought at a price of less than 50 pence each being the nominal value of each share nor more than 5% above the average middle market quotation of the shares over the preceding five business days nor will they be purchased during periods when the Company would be prohibited from making such purchases. Purchases will be made within guidelines set by the Board and using available reserves. Ordinary Shares purchased will be cancelled and the number of shares in issue reduced accordingly.

### **Resolution 11 - New Articles of Association**

It is proposed in resolution 11 to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of changes in English company law brought about by the Companies Act 2006. An explanation of the main changes between the proposed and the existing articles of association is set out in the appendix on pages 9 to 11 of this document and the New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely

G A Elliot  
Chairman

#### *Inspection of documents*

*The following documents will be available for inspection at the Company's registered office Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB from 28 April 2008 until the time of the AGM and from 15 minutes before the AGM until it ends:*

- *Copies of letters of appointment of the non-executive directors*
- *A copy of the proposed new articles of association of the Company, and a copy of the existing articles of association marked to show the changes being proposed in resolution 11.*

## **Primary Health Properties PLC**

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Primary Health Properties PLC will be held on 17 June 2008 at 2.30 pm in the Board Room, Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB for the following purposes:

#### **ORDINARY BUSINESS:**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions;

- 1 To receive and adopt the accounts for the 18 months ended 31 December 2007 together with the directors' report, the directors' remuneration report and the auditor's report on those accounts and the auditable part of the director's remuneration report and the directors' report.
- 2 To approve the Directors' Remuneration Report;
- 3 To re-elect Mr G A Elliot as a Director of the Company being a Director subject to annual election;
- 4 To re-elect Mr M J Gilbert as a Director of the Company being a Director subject to annual election;
- 5 To re-elect Mr J D Hambro as a Director of the Company being a Director subject to annual election;
- 6 To re-elect Dr I P Rutter being a Director who retires by rotation as a Director of the Company;
- 7 To re-appoint Ernst & Young LLP as Auditors and authorise the Directors to fix their remuneration;

#### **SPECIAL BUSINESS:**

To consider and, if thought fit, pass the following resolutions as ordinary or special resolutions as indicated below:

##### **ORDINARY RESOLUTION**

- 8 THAT the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in Section 80 of the Companies Act 1985 ("the Act")) up to an aggregate nominal amount of £5,597,849 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired and that this authority shall be in substitution for all previous authorities conferred upon the Directors pursuant to Section 80 of the Act but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

##### **SPECIAL RESOLUTIONS**

- 9 THAT, subject to the passing of Resolution 8, the Directors be and they are hereby empowered, pursuant to section 95 of the Act, to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred by

Resolution 7, as if section 89 of the Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective number of equity securities held by them subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £839,677;

and shall expire at the conclusion of the Annual General Meeting of the Company after the date of the passing of this resolution except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

10. THAT the Company be and is hereby generally and unconditionally authorised, in accordance with section 166 of the Act, to make market purchases (within the meaning of section 163 of the Act) of ordinary shares of 50p each in the capital of the Company (“Ordinary Shares”) on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum number of Ordinary Shares authorised to be purchased is 3,358,709;
- (b) the minimum price which may be paid for an Ordinary Share is 50p (the nominal value) (exclusive of expenses (if any) payable by the Company);
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased (exclusive of expenses (if any) payable by the Company); and
- (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.

- 11 THAT the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

J O Hambro Capital Management Limited  
Company Secretary

22 April 2008

Registered Office:

Ground Floor  
Ryder Court  
14 Ryder Street  
London SW1Y 6QB

Registered in England and Wales No. 3033634

#### 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 Annual 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 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 forms must be signed and should be returned together in the same envelope.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham, Kent, BR3 4TU no later than 2.30 pm on 15 June 2008.
3. The return of a completed proxy form will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. 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 Annual 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.
5. The statement of the rights of the shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. To be entitled to attend and vote at the Annual 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 pm on 15 June 2008 (or, in the event of any adjournment, 6 pm on the date which is two days 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.
7. As at 22 April 2008 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 33,587,094 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 22 April 2008 are 33,587,094.
8. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requested any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

## APPENDIX

### EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

It is proposed in resolution 11 in the enclosed notice of annual general meeting to update the Company's articles of association primarily to take account of changes in company law brought about by the Companies Act 2006 (the "2006 Act"). The amendments proposed reflect the changes brought about by the 2006 Act which are either already in force or which are to come into effect on or before 1 October 2008. As the 2006 Act will not be fully in force until October 2009, it is not yet possible to fully reflect the 2006 Act changes. As such, it is anticipated that shareholders will be asked to approve further changes to the Articles of Association at the annual general meeting in 2009. The changes are summarised as follows:

1. **Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the 2006 Act. Certain examples of such provisions include provisions as to the form of resolutions, proxy rights and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. **Form of resolution**

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the 2006 Act and all references to 'extraordinary resolutions' have been amended to 'special resolutions'.

3. **Convening general meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

4. **Quorum at general meetings**

The current articles provide that two persons entitled to vote each being a member or a proxy for a member constitute a quorum. This provision is being amended slightly to make it clear that two persons who are acting as a proxy or corporate representative for the same member can constitute a quorum.

5. **Votes of members**

Under the 2006 Act, proxies are entitled to vote on a show of hands as well as on a poll, and members may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares. The new articles reflect these new proxy rights. The 2006 Act also provides for multiple corporate representatives to be appointed and the revised articles therefore refer to the

right to appoint multiple corporate representatives. The provision giving the chairman a casting vote in the case of an equality of votes has been retained as the Government has made it clear that although the 2006 Act does not provide for the chairman to have a casting vote, companies who previously had such a provision in their articles may continue to do so.

The provisions relating to the appointment of proxies have been changed slightly to reflect updated electronic communications wording. Also, the articles now state that the directors may specify in a notice of meeting that in determining the time for delivery of proxies, no account shall be taken of non-working days, as permitted by the 2006 Act.

The right to demand a poll has also been extended to directors in the revised articles, to bring the articles in line with the draft model form articles for public companies (the “**Model Articles**”) of the Department for Business Enterprise and Regulatory Reform.

6. **Directors annual retirement on attaining age 80**

The Current Articles contain a provision requiring a director to retire and offer himself for re-appointment in each Annual General Meeting after he attains age 80. This provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

7. **Refusal to register transfers**

The provision relating to the right to refuse to register a transfer of any share has been updated to bring it in line with section 771 of the 2006 Act. In particular, the directors are now obliged to send to the transferee such information about the reasons for refusal as the transferee may reasonably request.

8. **Conflicts of interest**

The Companies Act 2006 sets out directors’ general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company’s interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors’ conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflicts. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company’s success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

9        **Signing of sealed documents**

This provision has been updated to reflect the fact that, under section 44 of the 2006 Act, a document will be deemed to be executed by a company where it has been affixed with the common seal or signed by two authorised signatories or by a single director in the presence of a witness who attests the signature.

10.      **Electronic and web communications**

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

11.      **Directors' indemnities**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly applies to associated companies.

12      **Increase in Directors' fees**

The Articles of Association currently provide that the total fees to be paid to Directors (excluding the Managing Director) is £100,000 per annum. This amount was set in 1996 and has not been increased. It is proposed that the aggregate sum of directors' fees payable is increased to £250,000.

13      **General**

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform to the language of the 2006 Act.

