



Notice of Annual General Meeting 2020

Primary Health Properties PLC

Wednesday 1 April 2020 at 10:30 a.m.

**To be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place, 78 Cannon Street, London EC4N 6AF**

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or about what action you should take, you should seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form.

The Form of Proxy must be received by no later than 10:30 a.m. on 30 March 2020.

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

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Definitions

The following definitions apply throughout this document and the accompanying documents unless the context requires otherwise:

"2006 Act"	the Companies Act 2006, as amended, consolidated or re-enacted from time to time
"Annual General Meeting" or "AGM"	the annual general meeting of the Company to be convened on 1 April 2020 at 10:30 a.m. pursuant to this notice of annual general meeting
"Annual Report 2019"	the Company's annual report and financial statements for the year ended 31 December 2019
"Articles"	the articles of association of the Company
"Board" or "Directors"	the directors of the Company as at the date of this document
"Company" or "PHP"	Primary Health Properties PLC
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001
"Form of Proxy"	the form of proxy accompanying this document for use in connection with the Annual General Meeting
"MedicX"	MedicX Fund Limited
"Merger"	the acquisition of the entire issued share capital of MedicX by way of scheme of arrangement approved by the Royal Court of Guernsey on 14 March 2019
"Ordinary Shares"	ordinary shares of 12.5 pence each in the capital of the Company
"Regulatory Information Service"	one of the regulatory information services authorised by the Financial Conduct Authority to receive, process and disseminate regulatory information in respect of listed companies
"Resolutions"	the resolutions to be proposed to Shareholders at the Annual General Meeting
"Scrip Dividend Scheme"	the Company's evergreen scrip dividend scheme, details of which can be found on the Company's website at www.phpgroup.co.uk/investors/dividends
"Shareholders"	holders of Ordinary Shares

Steven Owen (Chairman)
Helen Mahy CBE (Deputy Chairman, Senior Independent Director)
Harry Hyman (Managing Director)
Richard Howell (Finance Director)
Peter Cole (Non-executive Director)
Laure Duhot (Non-executive Director)
Dr Stephen Kell OBE (Non-executive Director)
Ian Krieger (Non-executive Director)

To all Shareholders

26 February 2020

Notice of Annual General Meeting

Dear Shareholder,

I have the pleasure of inviting you to the Company's AGM which we are holding at the offices of our legal advisers CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF, on 1 April 2020 at 10:30 a.m.

The AGM is an important event in our calendar as it provides an important opportunity to meet with Shareholders, to discuss the Company's performance and other important matters, as well as listening and responding to Shareholders' questions. A map showing the location of the venue and directions can be found on page 16. Tea and coffee will be available from 10:00 a.m. and after the meeting for Shareholders, if you wish to meet with the Directors in a less formal environment.

If you have elected to receive information from the Company in hard copy, you will find enclosed the Annual Report 2019. Shareholders who have not elected to receive hard copy documents can view or download the Annual Report 2019 from our website, www.phpgroup.co.uk/investors.

Resolutions

The formal notice of the AGM is set out on pages 5 to 7 of this document, which sets out the business to be considered at the meeting. Explanatory notes for the Resolutions are provided in Appendix 2 of this document and guidance notes for Shareholders wishing to attend the AGM and for the appointment of proxies on pages 13 to 15. In relation to the Resolutions to be put to the AGM, I would like to comment on just two matters.

Board composition (Resolutions 7 to 12)

We announced in November last year that, following the successful merger and integration of MedicX, Helen Mahy had informed the Board that she would retire from the Board at the AGM. In January 2020 we announced that, following a review of the skills, experience and knowledge of the Directors and consideration of its size and composition as part of the Board evaluation process, a Board of six directors is the appropriate size for the Company going forward, given the relative simplicity of its business model. Therefore, Dr Stephen Kell will be stepping down at the AGM. Accordingly we are not proposing any resolutions to appoint new non-executive Directors in place of Helen and Stephen at the AGM and, on behalf of the Board, I would like to thank both Helen and Stephen for their valuable contributions and, in particular, Helen for her assistance in ensuring the successful completion of the Merger. We wish them every success for the future.

Dividends (Resolution 4)

The Company's policy is to make all of its dividend payments (currently four per annum) as interim dividends. This enables the fourth dividend payment to be made approximately two months earlier than would be the case if that dividend were categorised as a 'final dividend' and therefore have to await Shareholder approval at the annual general meeting, usually held in April. This arrangement is made in the interests of Shareholders, enabling them to benefit from the earlier receipt of the fourth dividend. As we believe it is important for Shareholders to have an opportunity to consider this policy annually, and in accordance with the principles of good corporate governance, a resolution to approve the Company's dividend policy is included as Resolution 4 in the accompanying notice of meeting.

Letter from the Chairman continued

Actions to be taken in respect of the Annual General Meeting

We would welcome you coming to the AGM and voting in person. Whether or not you propose to attend the AGM it is important that if you would like to vote on the Resolutions but cannot come to the AGM, you complete, sign and return the enclosed Form of Proxy or vote electronically as explained below, as soon as possible. The Form of Proxy, which is pre-paid, should be completed, signed and returned in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than 10:30 a.m. on Monday 30 March 2020.

Alternatively, electronic proxy appointment is available to lodge your proxy vote electronically by logging on to the website provided by Equiniti at www.sharevote.co.uk or, if you are a member of CREST, via Equiniti (ID RA19). Equiniti must receive your proxy appointment by no later than 10:30 a.m. on Monday 30 March 2020.

The completion and return of the Form of Proxy or voting electronically will not prevent you from attending and voting at the AGM, or any adjournment of the AGM, in person, should you wish to do so.

Recommendation

The Directors consider that the Resolutions are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all the Resolutions, as they intend to do so in respect of their own beneficial holdings.

On behalf of the Board, I look forward to seeing many of you at the meeting and thank you for your continued support.

Yours sincerely,

Steven Owen

Chairman

Notice of Annual General Meeting

Primary Health Properties PLC

(incorporated and registered in England and Wales with registered number 03033634)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Primary Health Properties PLC (the "Company") will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF, on 1 April 2020 at 10:30 a.m. (the "Annual General Meeting"). Shareholders will be asked to consider and, if thought fit, pass the resolutions as set out below (the "Resolutions"). Resolutions 14 to 17 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions. Voting on the Resolutions will be by way of poll.

Resolutions

1. To receive the Company's annual accounts and the reports of the directors of the Company (the "Directors") and of the auditor to the Company for the financial year ended 31 December 2019.
2. To approve the Directors' remuneration policy, as set out on pages 74 to 75 of the Directors' Remuneration Report contained in the Company's annual accounts and reports for the financial year ended 31 December 2019.
3. To approve the Directors' Remuneration Report (excluding the Directors' remuneration policy) as contained in the Company's annual accounts and reports for the financial year ended 31 December 2019.
4. To approve the Company's dividend policy, as set out in the letter from the Chairman of the Company that accompanies this notice of meeting.
5. To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.
6. To authorise the audit committee of the Company, for and on behalf of the Directors, to determine the remuneration of the auditor.
7. To re-elect Steven Owen as a Director of the Company.
8. To re-elect Harry Hyman as a Director of the Company.
9. To re-elect Richard Howell as a Director of the Company.
10. To re-elect Peter Cole as a Director of the Company.
11. To re-elect Laure Duhot as a Director of the Company.
12. To re-elect Ian Krieger as a Director of the Company.
13. That the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "2006 Act") in substitution for all existing authorities:
 - (A) to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together, "Relevant Securities") up to an aggregate nominal amount of £50,680,074; and
 - (B) to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the 2006 Act) up to an additional aggregate nominal amount of £50,680,074 provided that this authority may only be used in connection with a rights issue in favour of holders of ordinary shares and other persons entitled to participate therein, where the equity securities respectively attributable to the interests of all those persons at such record dates as the Directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities, subject 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 or stock exchange by virtue of shares being represented by depositary receipts or any other matter whatsoever,provided that the authorities in paragraphs (A) and (B) above shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or, if earlier, on the date which is 15 months after the date of the Annual General Meeting, but in each case, prior to its expiry, the Company may make offers and enter into agreements, which would, or might, require Relevant Securities or equity securities as the case may be to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot Relevant Securities or equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if the authority in question had not expired.

Notice of Annual General Meeting continued

14. That subject to the passing of Resolution 13, the Directors be authorised, pursuant to sections 570 and 573 of the 2006 Act, to allot equity securities (as defined in section 560 of the 2006 Act) for cash under the authority given by Resolution 13 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this power shall be limited to:

(A) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities made to (but in the case of the authority conferred by Resolution 13 paragraph (B), by way of a rights issue only) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities or, if the Directors otherwise consider necessary, as permitted by the rights of those securities, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(B) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to an aggregate nominal amount of £7,602,011,

and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or, if earlier, on the date which is 15 months after the date of the Annual General Meeting but, in each case, prior to its expiry the Company may make offers and enter into agreements, which would, or might, require Relevant Securities or equity securities as the case may be to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot Relevant Securities or equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if the authority in question had not expired.

15. That subject to the passing of Resolution 13, the Directors be authorised, in addition to any authority granted under Resolution 14, to allot equity securities (as defined in section 560 of the 2006 Act) for cash under the authority given by Resolution 13 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this power shall be:

(A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £7,602,011; and

(B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the conclusion of the next annual general meeting of the Company (or, if earlier, on the date which is 15 months after the date of the Annual General Meeting) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority in question had not expired.

16. That the Company is authorised to call any general meeting of the Company other than an annual general meeting on not less than 14 clear days' notice during the period beginning on the date of the passing of this Resolution and ending on the conclusion of the next annual general meeting of the Company.

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17. That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of ordinary shares of 12.5 pence 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 aggregate number of Ordinary Shares that may be purchased is 121,632,177 (representing approximately 10 per cent of the issued ordinary share capital of the Company as at the date of this document);
 - (b) the minimum price (excluding expenses payable by the Company) which may be paid for each Ordinary Share is 12.5 pence;
 - (c) the maximum price (excluding expenses payable by the Company) which may be paid for each Ordinary Share is the higher of: i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately prior to the day the purchase is made; and ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System; and
 - (d) this authority shall expire at the conclusion of the Company's next annual general meeting, save that the Company may, before the expiry of this authority, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract.
18. To authorise the Company and all companies that are its subsidiaries at any time during the period for which this Resolution 18 has effect for the purposes of sections 366 and 367 of the 2006 Act to:
- (a) make political donations to political parties or independent election candidates (as such terms are defined in the 2006 Act), not exceeding £20,000 in aggregate;
 - (b) make political donations to political organisations other than political parties (as such terms are defined in the 2006 Act), not exceeding £20,000 in aggregate; and
 - (c) incur political expenditure (as such term is defined in the 2006 Act), not exceeding £20,000 in aggregate,
- during the period beginning with the date of the passing of this Resolution 18 and ending with the conclusion of the next annual general meeting of the Company (or, if earlier, on the date which is 15 months after the date of the Annual General Meeting), provided that the maximum amounts referred to in (a), (b) and (c) may comprise one or more sums in different currencies which shall be converted at such rate as the board of directors may in its absolute discretion determine to be appropriate.

By order of the Board

Paul Wright

for Nexus Management Services Limited
Company Secretary
26 February 2020

Primary Health Properties PLC

Registered office: 5th Floor, Greener House, 66-68 Haymarket, London SW1Y 4RF
Registered in England & Wales No: 03033634

Important notes regarding your general right to appoint a proxy and voting can be found on pages 13 to 15 of this notice of Annual General Meeting.

Appendix 1

Directors' biographies and reasons for re-election at the AGM

Proposed for re-election

Steven Owen

Chairman

Appointed as a Non-executive Director on 1 January 2014.

Career

Steven embarked on his career with KPMG before moving into property with Brixton plc, where he became Finance Director and subsequently Deputy Chief Executive until its acquisition by Segro in 2009. He was CEO and founding partner of Wye Valley Partners LLP, a commercial real estate asset management business. Steven is also a Fellow of the Association of Corporate Treasurers.

Other external relationships

Steven's only external relationship is his involvement with Wye Valley Partners LLP.

Contribution and reasons for re-election

Steven brings to the Board strong leadership skills combined with in-depth financial skills as a Chartered Accountant and former Finance Director and extensive expertise of investment in and development of commercial property, in a listed company environment. This combination of skills, knowledge and experience makes Steven a very effective Chairman.

The Board considered Steven as being independent at the time of his appointment in 2014 by reference to the relevant provisions of the UK Corporate Governance Code, and continues to be satisfied that he is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

Committees

Chairman of the Nomination Committee and member of the Remuneration and Adviser Engagement Committees.

Harry Hyman

Managing Director

Founder of the Company and Managing Director since 1996.

Career

Harry graduated from Cambridge University and trained as a chartered accountant and corporate treasurer. After a number of finance related roles in the City of London, he established the Company in 1996. He is both a Fellow of the Institute of Chartered Accountants in England & Wales and of the Association of Corporate Treasurers, as well as being a fellow of the Royal Institution of Chartered Surveyors.

Other external relationships

Harry is the Managing Director of Nexus Tradeco Holdings Limited and its subsidiary companies ("Nexus"). He is also a director of several private companies as well as being the non-executive chairman of Summit Properties Limited, listed on AIM, and of Hertsford Capital PLC, listed on the London Stock Exchange, and a non-executive director of Biopharma Credit PLC.

Contribution and reasons for re-election

Harry has a long-standing involvement in the primary healthcare sector, and the value of his contribution to PHP is demonstrated by his having developed the Company's business from inception 25 years ago to its current position in the FTSE 250, with an investment portfolio of £2.4 billion. Harry brings to the Board a unique combination of extensive experience in the primary healthcare sector, a background in finance and entrepreneurial flair having established a number of successful private companies.

Because of his executive role at, and ownership of, Nexus and its relationship with the Company, Harry is not considered to be independent by the Board.

Richard Howell

Finance Director

Appointed as a Director from 1 April 2017.

Career

Richard is a Chartered Accountant with over 20 years' experience working with London-listed commercial property companies, gained principally with LondonMetric Property plc and Brixton plc. Richard was part of the senior management team that led the merger of Metric Property Investments plc and London & Stamford Property Plc in 2013 to create LondonMetric Property plc with a combined property portfolio of £1.4 billion.

Other external relationships

None.

Contribution and reasons for re-election

Richard has been Finance Director during a time of significant change for PHP and has played a key role in both the Merger and in effectively managing PHP's capital raising activities from both financial institutions and in the public markets. Richard's extensive finance experience, and deep understanding of the markets in which the Company operates, having previously held senior accounting positions within listed property companies operating across the UK, means he continues to contribute greatly to the long-term success of PHP.

Because he is an employee of Nexus, Richard is not considered to be independent.

Peter Cole

Non-executive Director

Appointed a Director on 1 May 2018.

Career

Peter is a Chartered Surveyor and was until April 2019 the Chief Investment Officer of Hammerson plc, the FTSE listed owner, manager and developer of retail destinations in the UK, Ireland and continental Europe. He was a main board director of Hammerson from October 1999 until 31 December 2018.

Other external relationships

Director of Hermes CMK General Partner Limited and Labtech Investments Limited.

Skills, competence and experience

Peter has considerable experience of property investment and a deep understanding of the real estate market and investor sentiment. He brings to the Board a combination of skills in property investment and development and an understanding of the regulatory environment for listed companies in the UK. Peter brings over 20 years' experience in the property sector, in particular providing expertise from his time in developing and managing Hammerson's international portfolio of retail destinations. Peter makes an effective and valuable contribution to the Board and has, in particular, contributed to a revision to the form and content of investment papers for consideration by the Board from the Adviser, Nexus. Peter also makes an effective and valuable contribution to the Board, including through his position on the Board Committees, and demonstrates a high degree of commitment, including devoting an appropriate amount of time, to the role.

The Board considered Peter as being independent at the time of his appointment in 2018 by reference to the relevant provisions of the UK Corporate Governance Code, and continues to be satisfied that he is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

Committees

Member of the Remuneration, Audit, Nomination and Adviser Engagement Committees.

Laure Duhot

Non-executive Director

Appointed as a Director on 14 March 2019.

Career

Laure started her career in the investment banking sector, developing a focus on the property sector, while holding senior roles at Lehman Brothers, Macquarie Capital Partners, Sunrise Senior Living Inc., Pradera Limited, Grainger plc and latterly as Head of Investment and Capital Markets, Europe at Lendlease, a position she stood down from at the beginning of the year.

Other external relationships

Laure is a non-executive director of Inland Homes plc, a listed home builder.

Contribution and reasons for re-election

Laure brings over 30 years of property and finance experience to the Board; in particular she brings insights from her international property investment experience. Laure has specialised in investment in alternative real estate assets and was a non-executive director at MedicX before the Merger. Laure makes an effective and valuable contribution to the Board, including through her role as the Chair of the Adviser Engagement Committee, and has demonstrated commitment, including devoting an appropriate amount of time, to the role.

The Board considered Laure as being independent at the time of her appointment following the Merger by reference to the relevant provisions of the UK Corporate Governance Code, and continues to be satisfied that she is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, her judgement.

Committees

Member of the Audit, Nomination and Remuneration Committees and Chair of the Adviser Engagement Committee.

Ian Krieger

Senior Independent Non-executive Director

Appointed as a Director on 15 February 2018.

Career

Ian is a chartered accountant and worked at Deloitte where he became Senior Partner and Vice Chairman until his retirement in 2012. He is currently senior independent non-executive director and chairman of the audit committee at Safestore Holdings plc. He is also a non-executive director at Capital & Regional plc, where he also chairs the audit committee. He is Chair of Anthony Nolan, a major blood cancer charity. He has held other directorship roles including as a non-executive director at Premier Foods plc from 2012 until 2019 and a Trustee and Chairman of the finance committee of the Nuffield Trust from 2013 until 2019.

Other external relationships

Senior independent non-executive director and chairman of the audit committee at Safestore Holdings plc.

Non-executive director at Capital & Regional plc, and chairman of the audit committee.

Chairman of Anthony Nolan.

Contribution and reasons for re-election

Ian brings to the Board a wealth of specialised financial and accounting skills and expertise from his experience in the audit profession and in chairing the audit committees of two other listed companies in the property sector. His extensive financial expertise, coupled with his insight and governance experience on other listed companies, makes him ideally placed to serve as Chairman of the Audit Committee. Ian makes an effective and valuable contribution to the Board, including through his role of Chairman of the Audit Committee, and demonstrates a high degree of commitment, including devoting an appropriate amount of time, to the role.

The Board considered Ian as being independent at the time of his appointment in 2018 by reference to the relevant provisions of the UK Corporate Governance Code, and continues to be satisfied that Ian is independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, his judgement.

Committees

Chairman of the Audit Committee and member of the Nomination, Remuneration and Adviser Engagement Committees.

Appendix 2

Explanatory notes to the Resolutions

These notes are intended to explain the business to be transacted at the Annual General Meeting. Resolutions 14 to 17 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution. All other resolutions are proposed as ordinary resolutions, so that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Accounts (Resolution 1)

By company law the Directors must present to the AGM the Annual Report 2019 for adoption. The Board will welcome any questions and discussion on the Annual Report 2019 at the AGM.

Directors' remuneration policy (Resolution 2)

Resolution 2 seeks Shareholders' approval for the Directors' remuneration policy, as set out on pages 74 to 75 of the Directors' Remuneration Report contained in the Annual Report 2019.

The Directors' remuneration policy sets out the Company's forward-looking policy on Directors' remuneration (including the approach on exit payments for Directors), and is subject to a binding Shareholder vote by ordinary resolution, as required by law. The Company is required to put the Directors' remuneration policy to a binding vote of the Shareholders: (i) at least once every three years; or (ii) on a more frequent basis if changes to it are proposed. As the policy was last approved by Shareholders at the annual general meeting in 2017 it is proposed to seek approval for the policy, details of which are set out on pages 74 to 75 in the Annual Report 2019.

Resolution 2 is proposed as an ordinary resolution. If the Directors' remuneration policy is approved it will become effective from the close of the AGM, following which all payments by the Company to Directors and former Directors will be made in accordance with it, unless a payment has been approved by a resolution of the Shareholders at a general meeting. If the Company wishes to amend the Directors' remuneration policy it first will need to obtain the approval of Shareholders for that revised policy. If the Directors' remuneration policy is not approved by Shareholders, the Company will seek Shareholder approval for a revised policy as soon as practicable thereafter.

Directors' Remuneration Report (Resolution 3)

Resolution 3 seeks Shareholders' approval for the Directors' Remuneration Report as contained on pages 76 to 78 of the Annual Report 2019.

This resolution is proposed as an ordinary resolution. The vote is advisory and the Directors' entitlement to remuneration is not conditional on it.

Dividend (Resolution 4)

Resolution 4 is proposed to seek Shareholders' approval of the Company's dividend policy. The Company's policy is to make all of its dividend payments (currently four per year) as interim dividends as explained in the Chairman's letter that accompanies this notice of meeting. The Board considers this policy to be in the best interests of the Company and likely to promote the success of the Company.

Re-appointment and remuneration of auditor (Resolutions 5 and 6)

Resolution 5 proposes to re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting of the Company at which accounts are laid.

Resolution 6 proposes to authorise the audit committee, for and on behalf of the Directors, to determine the remuneration of the auditor.

Re-election of Directors (Resolutions 7 to 12)

In accordance with the requirements of the UK Corporate Governance Code 2018, all the Directors have resolved that they will offer themselves for re-election by Shareholders at the AGM.

Separate resolutions are being proposed to re-elect each of the Directors standing for re-election. Resolutions 7 to 12 are being proposed as ordinary resolutions.

Biographical details and further information on all of the Directors seeking re-election and the reasons why their contributions are, and continue to be, important for the Company's long-term sustainable success are set out in Appendix 1 to this document.

Directors' authority to allot securities (Resolution 13)

Further to the Articles and the provisions of the 2006 Act, the Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by the Shareholders.

Accordingly, the authority in Resolution 13, paragraph (A), will allow the Directors to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company, up to a maximum nominal amount of £50,680,074, representing approximately one-third of the Company's issued ordinary share capital calculated as at 20 February 2020 (being the latest practicable date prior to publication of this document). The authority in Resolution 13, paragraph (B), will allow the Directors, only in connection with a pre-emptive rights issue, to allot shares or grant rights to subscribe for, or convert any securities into, shares in the Company, up to a maximum nominal amount of £50,680,074 in addition to the nominal amount of any shares allotted or rights granted to subscribe for, or to convert any security into, shares under Resolution 13 paragraph (A), together representing approximately two-thirds of the Company's issued ordinary share capital calculated as at 20 February 2020 (being the latest practicable date prior to publication of this document). This is in line with corporate governance guidelines.

Directors' authority to allot securities (Resolution 13)

continued

This authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the date which is 15 months after the date of the AGM. The Directors intend to renew this authority annually at each annual general meeting of the Company. The Directors have no present intention of exercising this authority other than pursuant to legally binding obligations to do so, such as under the Scrip Dividend Scheme or, if applicable, on conversion of the 2.875% Guaranteed Convertible Bonds due 2025 (the "Convertible Bonds") issued by the Company's subsidiary PHP Finance (Jersey No 2) Limited. However, it is considered prudent to maintain the flexibility that this authority provides.

As at 20 February 2020 (being the latest practicable date prior to the publication of this document), the Company held no Ordinary Shares in treasury and there were £150 million (nominal) of the Convertible Bonds outstanding which at the current exercise price would require the issue of 100,408,327 Ordinary Shares if all the Convertible Bonds exercised the right to convert.

Directors' authority to dis-apply pre-emption rights (Resolutions 14 and 15)

Under the 2006 Act, when new shares are proposed to be issued for cash, other than in connection with a company share option plan, they must first be offered to existing Shareholders pro-rata to their percentage holdings at such time, unless Shareholders have waived this right either generally or in respect of a particular issue. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing Shareholders. The purpose of Resolutions 14 and 15 therefore is to enable Shareholders to waive their pre-emption rights and allow the Directors to allot shares for cash without such shares being first offered to existing Shareholders.

Resolution 14 will, if passed by special resolution, give the Directors authority to allot shares pursuant to the authority granted in Resolution 13 for cash on a non-pre-emptive basis. This authority will permit the Directors to allot shares for cash: (a) in connection with a rights issue or any other pre-emptive offer concerning equity securities; or (b) otherwise than in connection with a rights issue or any other pre-emptive offer for shares in the Company up to a maximum nominal value of £7,602,011, representing approximately 5 per cent. of the Company's issued ordinary share capital as at 20 February 2020 (being the latest practicable date prior to the publication of this document).

For the purposes of Resolution 14, the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

Resolution 15 additionally authorises the Directors to allot new shares (or sell treasury shares) for cash, without the shares being offered first to existing Shareholders, in connection with the financing (or refinancing, if the authority is to be used within six months after the original transaction) of an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. The authority under Resolution 15 is limited to a nominal value of £7,602,011, representing approximately 5 per cent. of the Company's issued ordinary share capital as at 20 February 2020 (being the latest practicable date prior to the publication of this document).

The Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, and consequently does not intend to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolutions 14 and 15 or in excess of an amount equal to 7.5% of the total issued share capital of the Company within any rolling three-year period, without prior consultation with Shareholders. Notwithstanding the above, the Directors consider it desirable and believe it appropriate to have the maximum flexibility permitted by corporate governance guidelines to enable non-pre-emptive allotments to take place to finance business opportunities.

The provisions of Resolutions 14 and 15 comply with the Share Capital Management Guidelines issued by the Investment Association in July 2016 and the disapplication of pre-emption rights resolutions follow the resolution templates issued by the Pre-Emption Group in May 2016.

If Resolutions 14 and 15 are passed, the authorities will expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the date which is 15 months after the date of the AGM. The Directors intend to renew this authority annually at each annual general meeting of the Company. The Directors have no immediate plans to make use of this authority, other than in connection with the issue of Ordinary Shares under the Scrip Dividend Scheme.

As at 20 February 2020 (being the latest practicable date prior to the publication of this document), the Company did not hold any treasury shares. If the Company were to create treasury shares, for example through the market purchase of its own shares, the subsequent sale of any treasury shares would be counted as equivalent to the issue of new shares for the purpose of the limitations on the issue of new shares included in Resolutions 14 and 15.

Appendix 2

Explanatory notes to the Resolutions continued

Notice of general meetings, other than annual general meetings (Resolution 16)

Resolution 16 will, if passed, allow the Company to hold general meetings (other than annual general meetings) on 14 clear days' notice. Under the 2006 Act, the minimum notice period for publicly listed company general meetings is 21 clear days, but with an ability for companies to reduce this period to 14 clear days (other than for annual general meetings) provided that certain conditions are met.

The first condition is that the Company offers a facility for members to vote by electronic means. This condition is met if the Company offers a facility allowing members to appoint a proxy by means of a website. The Company provides this facility (please refer to Note 4 to the guidance notes in Appendix 3 on page 13 of this document for details of the Company's arrangements for electronic proxy appointment). The other condition is that there is an annual resolution of Shareholders approving the reduction of the minimum notice period from 21 clear days to 14 clear days.

The Board is proposing Resolution 16 as a special resolution to approve 14 clear days as the minimum period of notice to be given for all general meetings of the Company other than annual general meetings. The approval will be effective until the conclusion of the next annual general meeting of the Company. The shorter notice period will be used in accordance with all relevant corporate governance guidelines applicable at the time. In particular, it will only be used where flexibility is merited by the business of the meeting and is thought to be to the advantage of Shareholders as a whole.

Purchase of own shares (Resolution 17)

Resolution 17 seeks authority for the Company to make market purchases of its own Ordinary Shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 121,632,177 of its Ordinary Shares, representing approximately 10 per cent. of the Company's issued ordinary share capital as at 20 February 2020 (being the latest practicable date prior to the publication of this document).

The Directors have no present intention of exercising the authority granted by Resolution 17. Ordinary Shares will only be purchased if the Directors consider such purchases to be in the best interests of Shareholders generally and that the purchase can be expected to result in an increase in earnings per Ordinary Share. In addition, the authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels for the Company and its overall financial position.

The Resolution specifies the minimum and maximum prices which may be paid for any Ordinary Shares purchased under this authority. The authority will expire on the date of the Company's 2021 annual general meeting.

The Company may either cancel any Ordinary Shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them). No dividends are paid on shares in treasury and no voting rights attach to treasury shares. If the Ordinary Shares that the Company buys back under this authority are held in treasury, this would give the Company the ability to re-issue treasury shares quickly and cost effectively, providing the Company with additional flexibility in the management of its capital.

As at 20 February 2020 (being the latest practicable date prior to the publication of this document), other than in respect of the conversion rights of the holders of the Convertible Bonds, there are no warrants or options to subscribe for Ordinary Shares that are outstanding.

Political donations and expenditure (Resolution 18)

Part 14 of the 2006 Act, amongst other things, prohibits political donations made by a company and its subsidiaries to EU political parties, to other EU political organisations, to an independent election candidate in the EU or political expenditure incurred by a company of more than £5,000 in any twelve-month period, unless they have been authorised to make donations by the Company's Shareholders.

It is the policy of the Company not to make donations to political parties, other political organisations or independent election candidates and the Directors have no intention of changing that policy.

However, as a result of the wide definition of political organisations under Part 14 of the 2006 Act, normal expenditure (such as expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as political expenditure or as a donation to a political party or other political organisation and therefore fall within the restrictions of the 2006 Act.

In order to avoid an inadvertent infringement of the 2006 Act, Resolution 18 will allow the Company and its subsidiaries to make donations to political parties, other political organisations and independent election candidates and to incur political expenditure (as defined in the 2006 Act) up to an aggregate limit of £20,000 in the period beginning with the date of the passing of Resolution 18 and ending with the conclusion of the next annual general meeting of the Company whilst avoiding, because of the uncertainty over the definitions used in the 2006 Act, inadvertent infringement of the 2006 Act. Any political donation made or political expenditure incurred which is in excess of £200 will be disclosed in the Company's annual report and accounts for next year, as required by the 2006 Act. Resolution 18 will not be used to make political donations within the normal meaning of that expression.

Guidance notes for the meeting and on appointment of proxies

1. **General:** a copy of this notice of Annual General Meeting and other information regarding the Annual General Meeting, required by section 311A of the 2006 Act (including a copy of the Annual Report 2019 posted with this notice of meeting) is available from the Company's website at www.phpgroup.co.uk. Shareholders who have not elected to receive these documents in printed form may obtain copies by writing to the Company Secretary at the Company's registered office. Shareholders who wish to receive the printed annual report and accounts for future years should write to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA.

2. **Entitlement to vote:** under the Articles the holders of Ordinary Shares are entitled to attend the Annual General Meeting and to speak and vote at the Annual General Meeting. Duly appointed proxies are entitled also to attend, speak and vote at the Annual General Meeting.

Only those holders of Ordinary Shares registered in the register of members of the Company as at 6:30 p.m. on Monday 30 March 2020 (or, if the Annual General Meeting is adjourned, 6:30 p.m. on the day that is two days before any adjourned meeting) (excluding any part of any day that is not a working day) shall be entitled to attend (either in person or by proxy) and vote at the Annual General Meeting, or any adjourned meeting, in respect of the number of shares registered in their names at that time. Any changes to the register of members after the relevant deadline shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting or an adjourned meeting.

3. **Entitlement to appoint proxies:** Shareholders 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 Annual General 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. If a proxy is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his or her discretion as to whether and, if so, how to vote. To appoint more than one proxy you may photocopy the Form of Proxy. A proxy need not be a Shareholder of the Company.

The Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice of Annual General Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA.

The return of a completed Form of Proxy, or other such instrument or any CREST Proxy Instruction (as described in Note 5 below) will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

In the case of joint Shareholders, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

4. **Validity of proxies:** to be valid a Form of Proxy or other instrument appointing a proxy must be received by one of the following methods:
- (A) by posting the reply-paid proxy or otherwise by post (in which case postage will be payable) or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA;
 - (B) in the case of CREST members, by utilising the CREST electronic proxy appointment services in accordance with the procedures set out in note 5 below; or
 - (C) Shareholders may submit an electronic proxy online, using the reference numbers printed on the Form of Proxy, or Online Voting Card, at www.sharevote.co.uk where details of the voting procedures are shown.

IMPORTANT: in any case, the Form of Proxy must be received by or lodged with the Company's Registrar by no later than 10:30 a.m. on Monday 30 March 2020 (or, if the Annual General Meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting excluding any part of any day that is not a working day).

Guidance notes for the meeting and on appointment of proxies continued

5. **CREST proxy appointment:** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the 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 specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) not later than 10:30 a.m. on Monday 30 March 2020 (or, if the Annual General Meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting) (excluding any part of any day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications 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.

CREST members and, where applicable, their CREST sponsors, or voting service provider(s), 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/her 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 provider(s) 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 CREST Regulations.

6. **Corporate representatives:** any corporation which is a member may by resolution of its directors or other governing body authorise one or more person(s) to act as its representative who may exercise, on its behalf, all its powers as a member, provided that they do not do so in relation to the same shares. A certified copy of any such resolution must be deposited at the registered office of the Company not less than 48 hours before the time appointed for the Annual General Meeting to be valid (excluding any part of any day that is not a working day).
7. **Nominated persons:** any person to whom this document is sent who is a person nominated under section 146 of the 2006 Act 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.

The statement of the rights of Shareholders in relation to the appointment of proxies in Notes 2, 3, 4, and 5 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by Shareholders of the Company. If you have been nominated to receive general Shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered Shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the 2006 Act, writes to you directly for a response.

8. **Electronic communication:** please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the Shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic Form of Proxy, that is found to contain any virus will not be accepted.

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9. **Voting and voting rights:** as at 5:00 p.m. on 20 February 2020 (being the latest business day prior to the publication of this document), the Company's issued share capital consisted of 1,216,321,774 Ordinary Shares, carrying one vote each. Therefore, the total number of voting rights in the Company as at 5:00 p.m. on 20 February 2020 was 1,216,321,774. The website referred to in Note 1 will include information on the number of Ordinary Shares and voting rights.

Voting on the Resolutions will be conducted by way of a poll rather than on a show of hands as this is considered by the Board to reflect the views of Shareholders more accurately. As soon as practicable, following the Annual General Meeting the results of voting at the Annual General Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each resolution will be announced via a Regulatory Information Service and also placed on the Company's website referred to in Note 1 above.

10. **Right to ask questions:** any Shareholder attending the Annual 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 Annual General Meeting but no such answer need be given if:
- to do so would interfere unduly with the preparation for the Annual General 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 Annual General Meeting that the question be answered.
11. **Audit concerns:** under section 527 of the 2006 Act a Shareholder or Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the 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 2006 Act. The Company cannot require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, 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 2006 Act to publish on a website.

The request may be in hard copy form or in electronic form (stating your name and address and in the case of an electronic communication stating Annual General Meeting in the subject line of the email), either setting out the statement in full or, if supporting a statement sent by another Shareholder, clearly identifying the statement which is being supported; must be authenticated by the person or persons making it; and must be received by the Company at least one week before the Annual General Meeting.

12. **Communication with the Company:** you may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the Form of Proxy accompanying this document) to communicate with the Company for any purposes other than those expressly stated. All communication with the Company in relation to the Annual General Meeting should be by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA, or to the Company Secretary at the registered office of the Company set out at the foot of the notice of Annual General Meeting.
13. **Inspection of documents:** copies of the letters of appointment of the non-executive directors of the Company are available for inspection at the registered office of the Company during normal business hours on each weekday (public holidays excepted) from the date of this document until the time of the Annual General Meeting and at the place of the Annual General Meeting (the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF) for at least 15 minutes prior to the start of the Annual General Meeting until the end of the Annual General Meeting.

Location map

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place
78 Cannon Street
London
EC4N 6AF

T +44 207 367 3000

F +44 207 367 2000



Directions

The London office is located above Cannon Street train and underground station. You can access the offices via the main entrance in Cannon Street.

Train

Southeastern rail services operate at Cannon Street station.

Moorgate station is a 13-minute walk away. Liverpool Street, London Bridge and Blackfriars stations are all 15 minutes' walk away.

London Underground

Cannon Street station is on the District and Circle lines. When exiting the tube station, turn right and the CMS office is directly in front of you by the entrance to the train station.

City Airport

The Docklands Light Railway ("DLR") travels from City Airport direct to Bank underground station.

CMS is a five-minute walk from Bank station.

Heathrow Airport

The Heathrow Express train will reach London Paddington in 15 minutes. At London Paddington, take the London Underground and travel on the Bakerloo line to Embankment station. Change to the eastbound District and Circle lines and travel to Cannon Street station.

Bus

Cannon Street – numbers 4, 11, 15, 17, 23, 76, 100, 172 and 521.