

Dear Plan Participant,

**MiFID and changes to the Primary Health Properties PLC Share Service (the "Plan")**

The EU *Markets in Financial Instruments Directive* ("MiFID") came into force on 1<sup>st</sup> November 2007. MiFID introduces some changes to the UK regulations governing financial services. Capita IRG Trustees Limited ("Capita") is updating the Terms and Conditions of the Plan to be fully compliant with MiFID and we are writing to inform you of these changes.

The way we administer the Plan will not change fundamentally but the MiFID regulations require us to provide additional information to you in respect of the administration of the Plan. The new clauses, which will be added to your existing Terms and Conditions from 1<sup>st</sup> November, 2007 are set out in the Appendix to this letter, together with an explanation of each new clause.

**No action is required by you in relation to this letter or in respect of the changes to the Terms and Conditions.** We recommend, however, that you retain this letter with your existing copy of the Terms and Conditions.

These changes are part of Capita's continuing commitment to provide you with a share service, which is fully compliant with applicable regulations. If you have any questions, please call the helpline on 0871 664 0335 Calls cost 10p per minute including VAT plus network extras (from outside the UK +44 (0) 20 8639 3135).

Yours faithfully



Justin Cooper  
Managing Director - Regulated Business Services

**Appendix**

**Changes to the Terms and Conditions of the  
Primary Health Properties (PHP) Share Service  
Please note that these changes will come into effect on 1<sup>st</sup> November, 2007**

Change to the Terms and Conditions	Explanation
<p><b><i>New clause to be inserted under the heading "Other terms and conditions of the Plan":</i></b></p> <p><b>Information about our Best Execution Policy</b></p> <p>The Plan Administrator will comply with its regulatory obligation to act in your best interests when placing orders on your behalf for execution. The Plan Administrator will place the order with an authorised broker of its choice. The Plan Administrator uses a number of brokers for this service, in particular Winterflood Securities Limited, and will rely on these brokers to take all reasonable steps to obtain, when executing orders, the best possible result, in accordance with the rules of the FSA. The factors normally used to determine the best possible result will be price and the costs related to execution. The Plan Administrator will also check that each broker has in place a policy and procedures designed to obtain the best possible result, subject to and taking into account the nature of your order(s) and the market in question. The Plan Administrator will monitor these brokers and review their performance at least once a year.</p>	<p><b>Information about our Best Execution Policy</b></p> <p>This clause informs you of our policy to ensure that we obtain best execution for the trades made on your behalf under the Plan. We are already obliged to ensure that you receive best execution for any purchases – that is, that the best price is obtained. The new regulations require us to ensure that we obtain the best overall result for the purchases, and we explain in more detail how we monitor the brokers we use to execute the trades.</p>

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# CAPITA

<p><b>New clauses to be inserted under the heading "Important note":</b></p> <p><b>Suitability and Appropriateness</b></p> <p>In providing this dividend reinvestment plan to you in relation to the Company's shares, which are traded on a regulated market, the Plan Administrator is not required to assess the suitability of the instrument or the service provided or offered to you and, as a result, you will not benefit from the protection of the FSA rules on assessing suitability. Therefore, we will not assess whether:</p> <ul style="list-style-type: none"><li>(i) the relevant product or service meets your investment objectives;</li><li>(ii) you would be able financially to bear the risk of any loss that the product or service may cause; or</li><li>(iii) you have the necessary knowledge and experience to understand the risks involved.</li></ul> <p>The Plan Administrator is also not required to assess the appropriateness for you of the Plan or any transaction connected to the Plan.</p>	<p><b>Suitability and Appropriateness</b></p> <p>This clause explains that as the Plan is an execution-only service, we will not assess the appropriateness or suitability to you of any purchases made under the Plan.</p>
<p><b>Conflicts of Interest</b></p> <p>In accordance with FSA Rules, the Plan Administrator has in place arrangements, which may be updated from time to time, to manage conflicts of interest that arise between itself and its clients or between its clients.</p> <p>The Plan Administrator will deal with potential conflicts of interest in accordance with its Conflicts of Interests Policy, which provides that it will identify and manage conflicts of interest to ensure fair treatment of all clients and ensure that it acts in the client's best interests.</p> <p>If it is not possible to manage or avoid a potential conflict of interest then the Plan Administrator may seek to disclose the general nature and/or sources of conflict to you before undertaking business for you. The Plan Administrator will provide full details of the Conflicts of Interest Policy upon receipt of a written request from you.</p>	<p><b>Conflicts of Interest</b></p> <p>This clause informs you about our procedure to ensure that any conflicts of interest that may occur within our business in relation to the Plan are properly managed. Our analysis of the administration of the Plan did not identify any material conflicts of interest.</p>
<p><b>Client Classification</b></p> <p><b><i>The following sentence to replace the first sentence under the heading "Client Classification":</i></b></p> <p>Each Participant, for the purposes of the Markets in Financial Instruments Directive (MiFID) and FSMA will be classified as a Retail Customer.</p>	<p><b>Client Classification</b></p> <p>Under MiFID you will be categorised as a "retail" customer, which is equivalent to your existing categorisation as a "private" customer.</p>

Date: 1 October 2007

Capita IRG Trustees Limited

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