

# M

COMPANIES FORM No. 395

189397/39

## Particulars of a mortgage or charge

# 395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

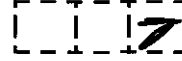
Please complete legibly, preferably in black type, or bold block lettering

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)



For official use



Company number

04433255

Name of company

\* Priory Group Limited (the "Company").

\*insert full name of Company

Date of creation of the charge

9 November 2005

Description of the instrument (if any) creating or evidencing the charge (note 2)

Mortgage of Shares dated 9 November 2005 between (1) the Company, Priory Health No. 1 Limited and Priory Health No. 2 Limited (the "Chargors") and (2) ABN AMRO Trustees Limited, (the "Deed").

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower (as defined below) or a Chargor to any Finance Party (as defined below) under each Finance Document (as defined below), (the "Secured Liabilities").

10

Names and addresses of the mortgagees or persons entitled to the charge

ABN AMRO Trustees Limited of 82 Bishopsgate London EC2N 4BN as agent and trustee for the Finance Parties (as defined below), (the "Security Agent").

Postcode

Presentor's name address and reference (if any):

Allen & Overy LLP  
40 Bank Street  
Canary Wharf  
London E14 5NR

BK:3345388

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



LD2 #L3LCD4HP\* 292  
COMPANIES HOUSE 18/11/2005

Short particulars of the charge or charged

See Contin...

Please do not write in this margin  
Please complete legibly, preferably in black type, or bold block lettering

Particulars of the amount (note 3)

Nil

Signed

*M. J. ...*

Date 17 November 2005

On behalf of

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Notes

- 1 The original instrument creating or evidencing the charge, together with these prescribed particulars, must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom, the instrument must be delivered to the Registrar within 21 days after the date of creation of the charge. The instrument must be sent by post, and if dispatched with due diligence, have been received in the Office of the Registrar within 21 days after the date of creation of the charge (section 398). A copy of the instrument creating the charge will be accepted where the instrument is situated and the charge was created outside the United Kingdom (section 398(4)). Where the copy must be verified to be a correct copy either by the company or by the Registrar. The verification must be given by or on behalf of the company giving the verification and where this is given by a body corporate it must be signed by a director of the body. A verified copy will also be accepted where section 398(4) applies (property situated in Great Britain or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, shall be entered.
- 3 In this section there shall be entered the amount or rate per cent. of the commission, allowance or discount (if any) paid or received directly or indirectly by the company to any person in consideration of its
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
 for any of the debentures specified in this return. The rate of interest payable under the terms of the debentures should also be entered.
- 4 If any of the spaces provided above provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to Companies House.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

### **1.1 Security**

- (a) All the security created under the Deed:
  - (i) is created in favour of the Security Agent;
  - (ii) is created over present and future assets of the Chargor;
  - (iii) is security for the payment and satisfaction of all the Secured Liabilities; and
  - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Agent holds the benefit of the Deed on trust for the Finance Parties.
- (c) Each Chargor charges:
  - (i) by way of a first legal mortgage all the Shares owned by it or held by any nominee on its behalf; and
  - (ii) (to the extent that they are not the subject of a mortgage described under subparagraph (i) above) by way of a first fixed charge its interest in all the Shares owned by it or held by any nominee on its behalf.
- (d) A reference in subclause 2.2 of the Deed to a share includes:
  - (i) any dividend or interest paid or payable in relation to it; and
  - (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

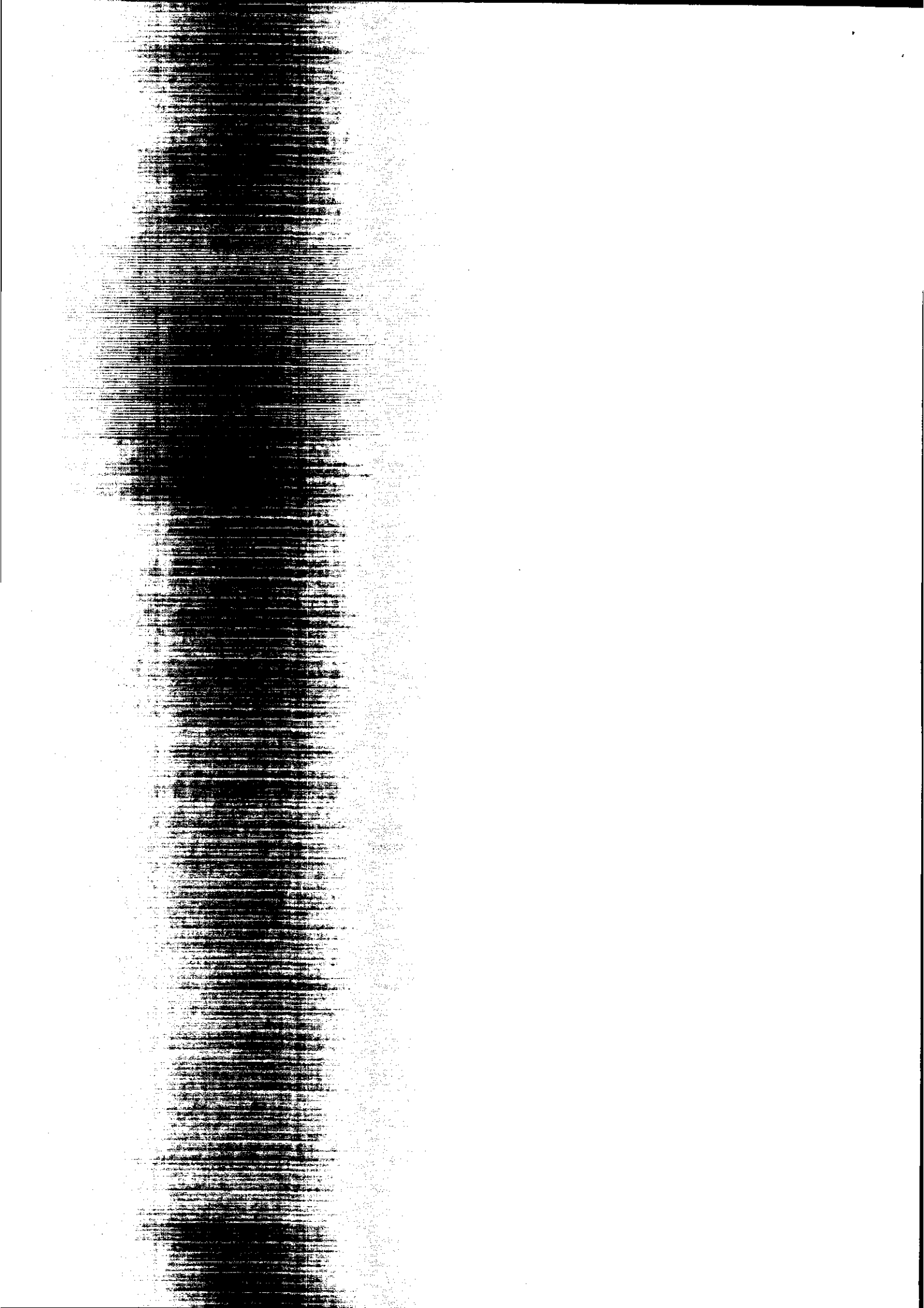
### **1.2 Restrictions on Dealings**

No Chargor may:

- (a) create or allow to subsist any Security Interest (other than the Deed) on any Security Asset; or
  - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Credit Agreement.

### **1.3 Voting rights**

- (a) Before the Security becomes enforceable:



- (i) the voting rights, powers and other rights in respect of the Security Assets must (if exercisable by the Security Agent) be exercised in any manner which the relevant Chargor may direct in writing; and
  - (ii) all dividends or other income paid or payable in relation to any Security Asset must be paid directly to the relevant Chargor.
- (b) Each Chargor must indemnify the Security Agent against any loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of the Security Assets on the direction of the Chargor.
- (c) After the Security has become enforceable, the Security Agent may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Security Asset, any person who is the holder of any Security Asset or otherwise.

In this Form 395:

**Additional Property** means any property or properties which are accepted as alternative security under Clause 19.6 (Substitution of Properties) of the Credit Agreement.

**Administrative Party** means the Arranger or an Agent.

**Agent(s)** means either or both of the Facility Agent and/or the Security Agent, as the context may require.

**Arranger** means ABN AMRO Bank N.V., London Branch.

**Borrower** means Priory Finance Property LLP (registered number OC315650).

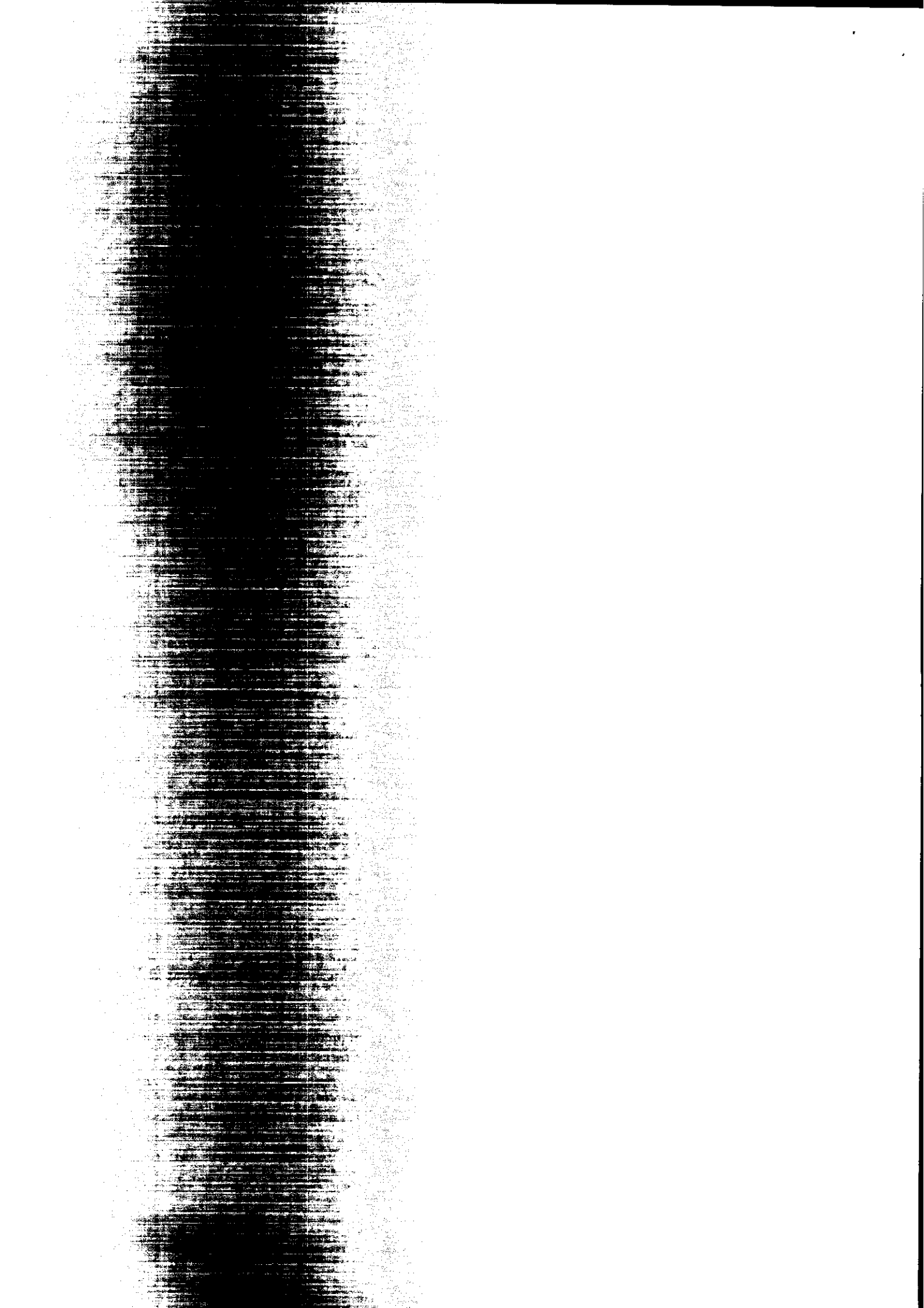
**Counterparty** means the Original Counterparty or a bank or financial institution which becomes a Counterparty after the date of the Credit Agreement.

**Counterparty Accession Agreement** means a letter, substantially in the form of Schedule 6 (Form of Counterparty Accession Agreement) to the Credit Agreement, with such amendments as the Facility Agent and the Borrower may agree.

**Credit Agreement** means the £575,000,000 credit agreement dated 19 October 2005 between (among others) the Borrower and the Security Agent as amended and restated on 8 November 2005.

**Duty of Care Agreement** means a duty of care agreement entered into by the Managing Agent, the Borrower and the Security Agent in the agreed form.

**English Security Agreement** means a security agreement in relation to the Borrower's assets located in England and Wales, in favour of the Security Agent and in the agreed form.



**Facility Agent** means ABN AMRO Bank N.V., London Branch.

**Fee Letter** means any letter entered into by reference to the Credit Agreement between one or more Administrative Parties and the Borrower setting out the amount of certain fees referred to in the Credit Agreement.

**Finance Document** means:

- (a) the Credit Agreement;
- (b) a Security Document;
- (c) any Hedging Arrangement;
- (d) a Subordination Agreement;
- (e) a Fee Letter;
- (f) a Transfer Certificate;
- (g) a Duty of Care Agreement;
- (h) a Counterparty Accession Agreement; or
- (i) any other document designated as such by the Facility Agent and the Borrower.

**Finance Party** means a Lender, a Counterparty or an Administrative Party.

**Hedging Arrangement** means any interest hedging arrangement entered into by the Borrower in connection with interest payable under the Credit Agreement, including any collateral support agreements.

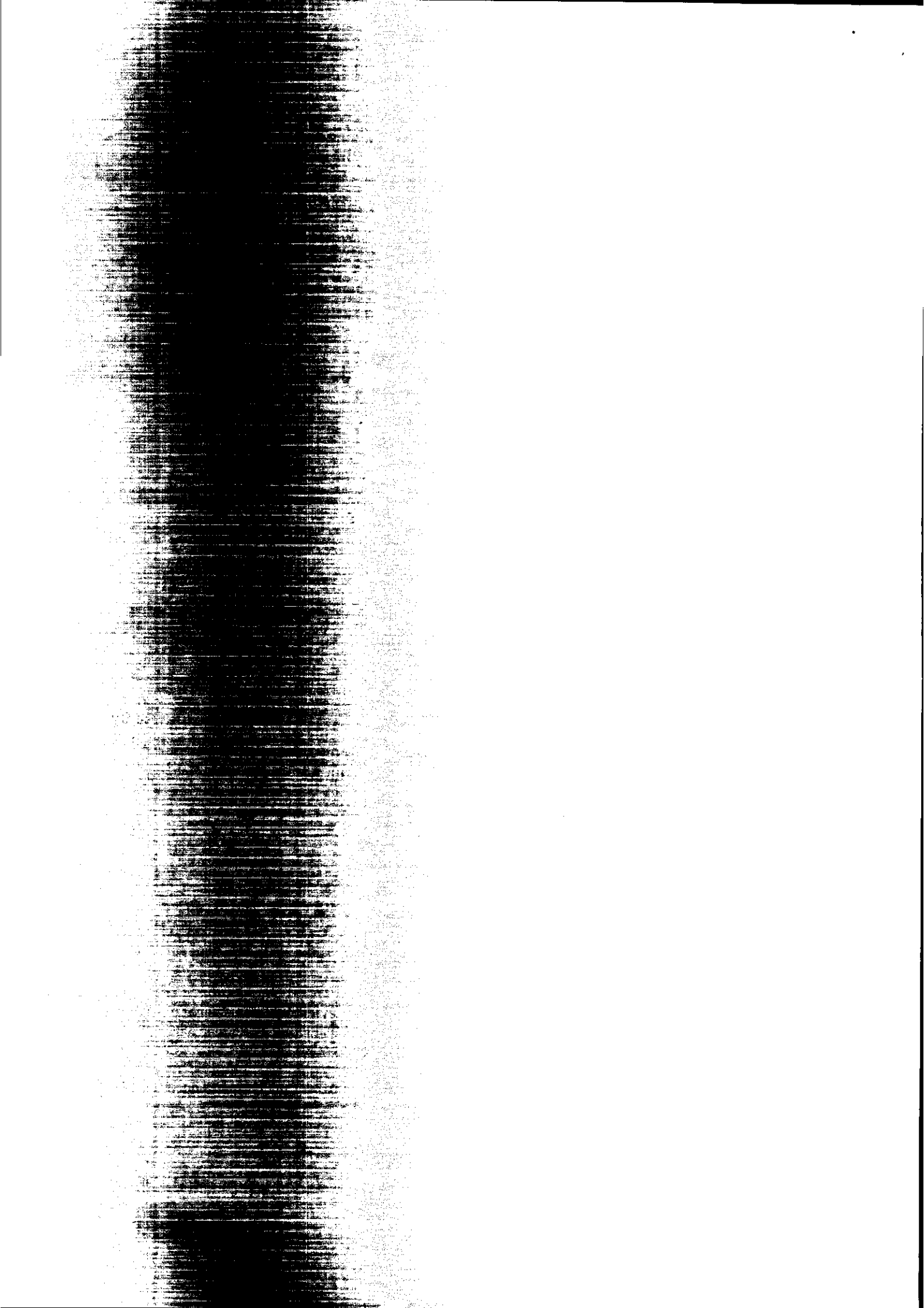
**Lender** means:

- (a) ABN AMRO Bank N.V., London Branch; or
- (b) any person which becomes a lender after the date of the Credit Agreement.

**Liquidation Member** means a bankruptcy remote special purpose vehicle acceptable to the Facility Agent as a Member.

**Managing Agent** means Priory Central Services Limited, a company incorporated in England with company number 04391278, or any other independent managing agent appointed by the Borrower in respect of a Property with the approval of the Lenders.

**Member** means a person who becomes a member of the Borrower under and in accordance with the Members Agreement.





**Member Shareholders** means each of Priory Health No. 2 Limited, Priory Health No. 1 Limited and the Company.

**Members Agreement** means the agreement between each of the Original Members in respect of the Borrower dated on or prior to the date of the Credit Agreement.

**Members Share Charge** means a charge over the shares in one or more Members, entered into by the Member Shareholders, in favour of the Security Agent and in the agreed form, or, in the case of the charge to be entered into by the Liquidation Member, with such amendments as the Facility Agent may require (acting reasonably).

**Membership Interest Charge** means a charge over one or more Members' rights under the Members Agreement, in favour of the Security Agent and in the agreed form, or, in the case of the charge to be entered into by the Liquidation Member, with such amendments as the Facility Agent may require (acting reasonably).

**Opco Group** means Priory Securitisation Limited (registered in England and Wales number 03982134) and its Subsidiaries from time to time and Fanplate Limited (registered in England and Wales number 05347672) and its Subsidiaries from time to time.

**Original Counterparty** means ABN AMRO Bank N.V., London Branch.

**Original Member** means a Member as at the date of the Credit Agreement, being Priory Securitisation Holdings Limited, Priory Finance Company Limited and Priory Health No. 2 Limited.

**Original Property** means each property described fully in schedule 1 of the English Security Agreement and in the Scottish Security Agreement and referred to (by address only) in Part 2 of Schedule 1 (Original Parties and Properties) to the Credit Agreement.

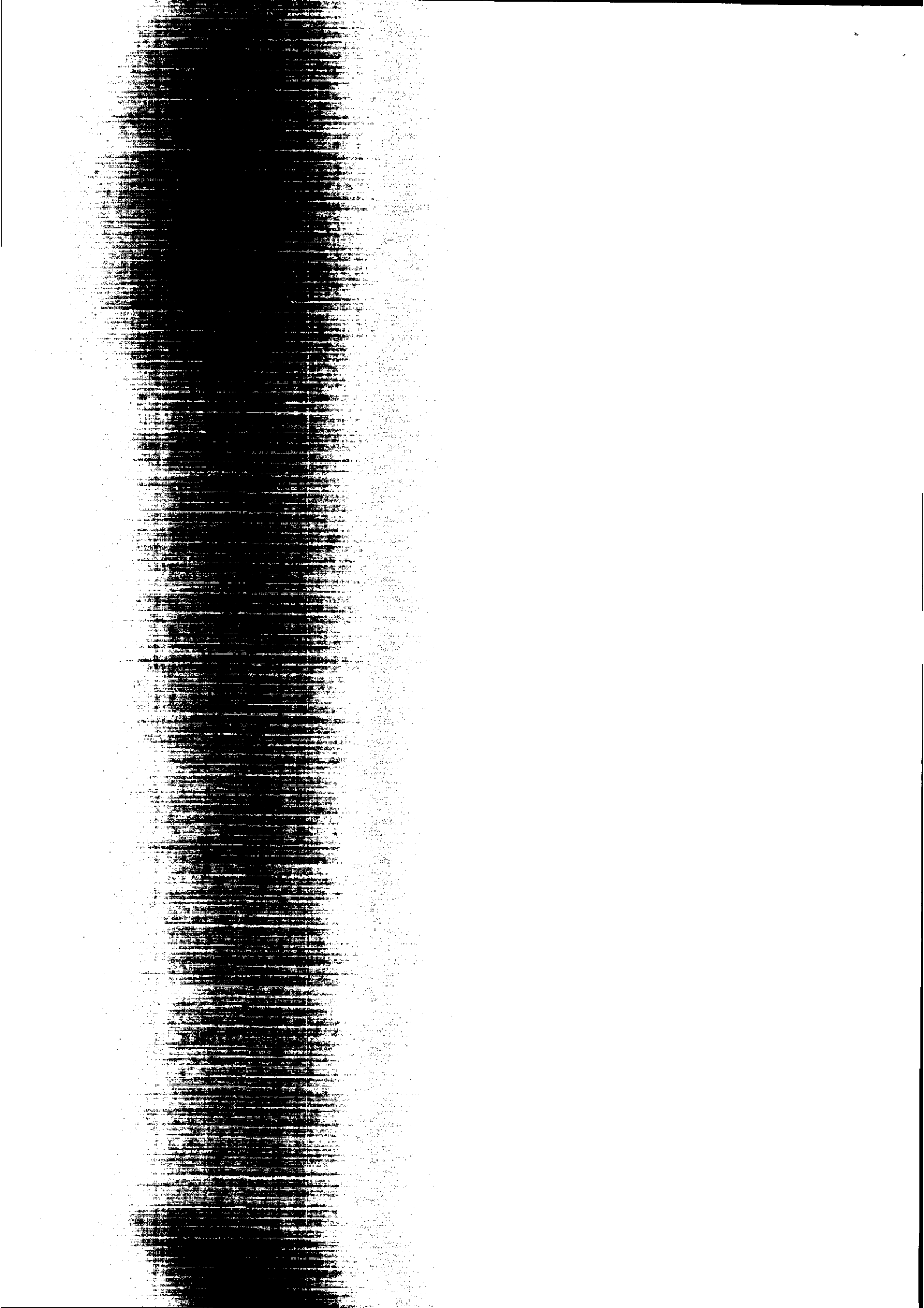
**Property** means each of:

- (a) each Original Property; and
- (b) any Additional Property acquired pursuant to Clause 19.6 (Substitution of Properties) of the Credit Agreement,

and, where the context so requires, includes the buildings on each Property but excluding any such Property that has been disposed of in accordance with Clause 19.5 (Disposals) of the Credit Agreement.

**Scottish Security Agreement** means a standard security in respect of any heritable property owned by the Borrower and located in Scotland governed by Scots law, in favour of the Security Agent and in the agreed form.

**Security** means any security created by the Deed.



**Security Assets** means all assets of each Chargor the subject of any security created by the Deed.

**Security Document** means:

- (a) the English Security Agreement;
- (b) each Scottish Security Agreement;
- (c) each Members Share Charge;
- (d) each Membership Interest Charge;
- (e) each Supplemental Security Agreement;
- (f) any other document evidencing or creating security over any asset of the Borrower to secure any obligation of the Borrower to a Finance Party under the Finance Documents; and
- (g) any other document designated as such by the Security Agent and the Borrower.

**Security Interest** means any mortgage, pledge, lien, charge, assignment, assignation, hypothecation or security interest or any other agreement or arrangement having a similar effect.

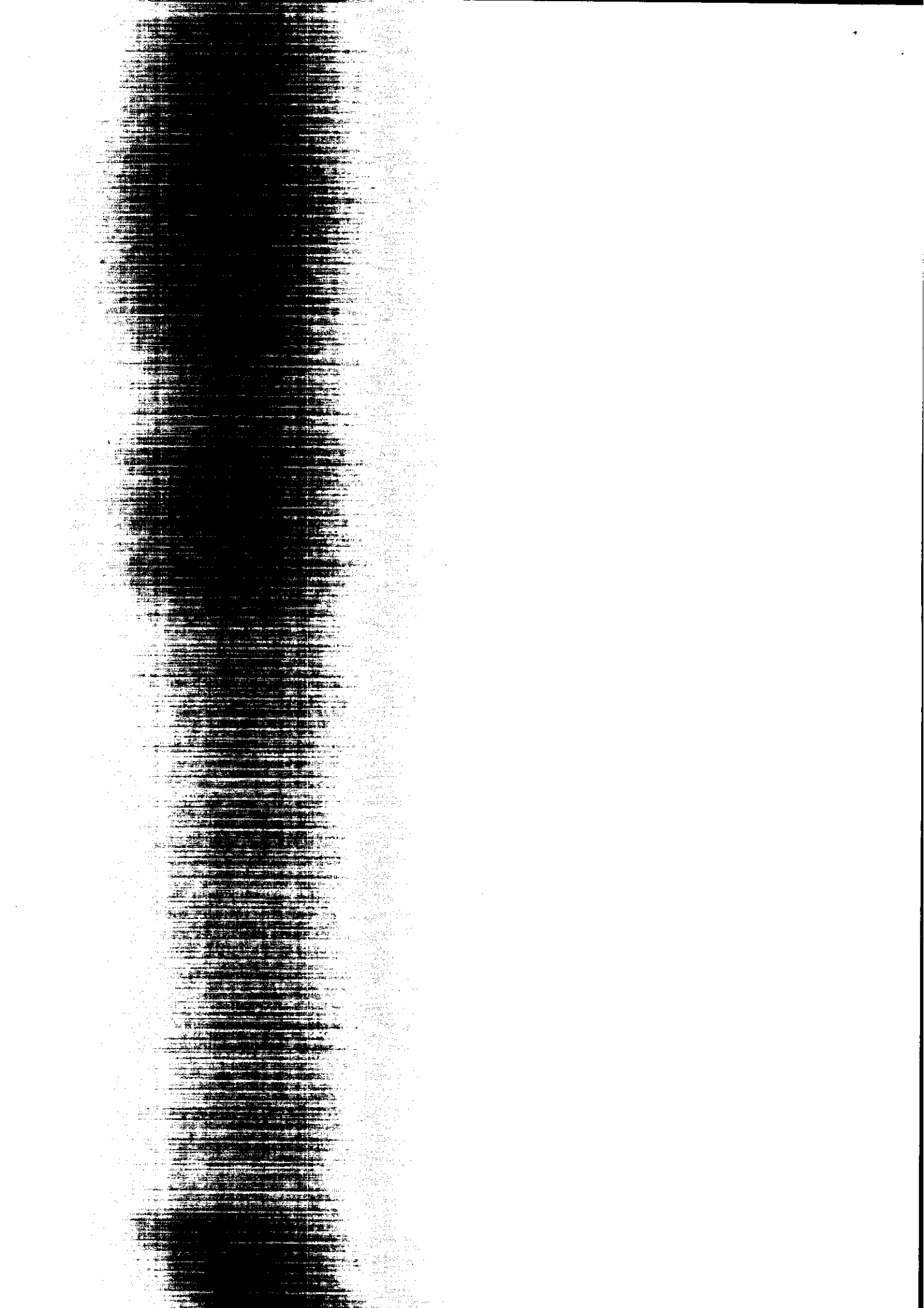
**Shares** means all of the shares listed in the Schedule to this Form 395.

**Subordination Agreement** means a subordination agreement entered into or to be entered into between the Borrower, the Members and certain other members of the Opco Group or any other subordination agreement entered into by (amongst others) the Borrower and the Facility Agent subordinating the rights of creditors of the Borrower to the rights of the Finance Parties under the Finance Documents.

**Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**Supplemental Security Agreement** means a supplemental security agreement in the form of Schedule 8 (Form of Supplemental Security Agreement) to the Credit Agreement with such amendments as the Security Agent may approve or reasonably require or, in the case of Additional Properties located in Scotland, a standard security governed by Scots law in form and substance satisfactory to the Security Agent.

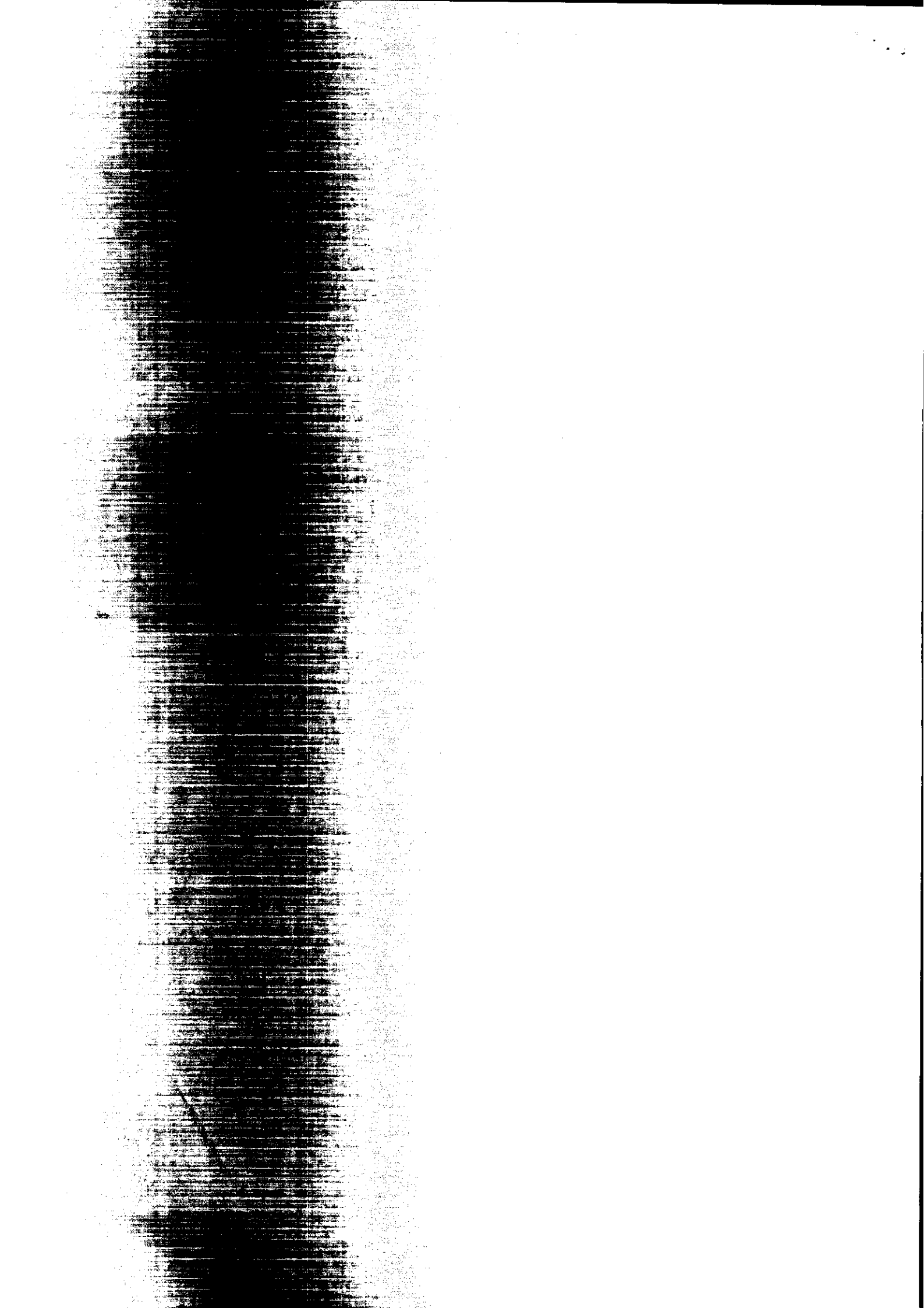
**Transfer Certificate** means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate) to the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Borrower.



**SCHEDULE**

**SHARES**

<b>Charging Company</b>	<b>Description of shares held</b>	<b>Company in which shares held</b>
Priory Health No. 2 Limited	1000 ordinary shares	Priory Finance Company Limited
Priory Health No. 1 Limited	100 ordinary shares	Priory Health No. 2 Limited
Priory Group Limited	7,688,088 ordinary shares	Priory Securitisation Holdings Limited



FILE COPY



**CERTIFICATE OF THE REGISTRATION  
OF A MORTGAGE OR CHARGE**

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 04433255

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE OF SHARES DATED THE 9th NOVEMBER 2005 AND CREATED BY PRIORY GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM PRIORY FINANCE PROPERTY LLP OR A CHARGOR TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th NOVEMBER 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd NOVEMBER 2005.

*7 am.*



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —

