

5/10/02
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No. 4433255



THE COMPANIES ACTS 1985 TO 1989

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COMPANY LIMITED BY SHARES

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RESOLUTIONS

of

DE FACTO 996 LIMITED

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(Passed 22/5) 2002)

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At an EXTRAORDINARY GENERAL MEETING of the above-named Company, duly convened and held at 10 Snow Hill, London EC1A 2AL on 22 May 2002 at 2.30 a.m./p.m. the following resolution were passed as a special resolution.

SPECIAL RESOLUTIONS

1. THAT, subject to the consent of the Registrar of Companies, the name of the Company be changed to "Priory Healthcare Acquisition Co Limited".

2. THAT, pursuant to section 9 of the Companies Act 1985 (the "Act"), the Articles of Association of the Company be deleted in their entirety and the Regulations contained in the document submitted to the meeting, and for the purpose of identification signed by the Chairman, be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

3. THAT, subject to the passing of resolution 4 in the notice convening this meeting and in accordance with section 95 of the Act the Directors be and are empowered to allot equity securities (as defined in sub-section (2) of section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution up to a maximum nominal value of £116,000,000 as if sub-section (1) of section 89 of the Act did not apply at any time or times.

ORDINARY RESOLUTIONS

4. THAT for the purposes of section 80 of the Act (and so that expressions used in this resolution shall bear the same meanings as in the said section 80):

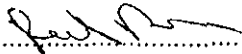
(a) the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £116,000,000 to



such persons and at such times and on such terms as they think proper during the period expiring at the end of five years from the date of the passing of this resolution;

(b) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

5. THAT the authorised share capital of the Company be increased from £1,000 to £116,000,000 by the creation of £115,999,000 new ordinary shares of £1 each, such shares to form one class with and rank pari passu in all respects with the existing ordinary shares of the Company.


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TRAVERS SMITH SECRETARIES LIMITED
(authorised signatory)

Secretary