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23 December 2002

**WE HEREBY CERTIFY
THAT THIS IS A TRUE
COPY OF THE ORIGINAL**

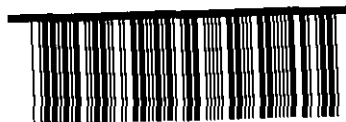
Skadden, Arps, Slate, Meagher & Flom (UK) LLP

**Skadden, Arps, Slate, Meagher & Flom
One Canada Square
Canary Wharf
London E14 5DS**

AGREEMENT

**for the sale and purchase of the
issued share capital of
PRIORY HEALTHCARE HOLDINGS LIMITED**

**SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
ONE CANADA SQUARE
CANARY WHARF
LONDON E14 5DS**



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CONTENTS

Clause	Page
1. SALE OF THE SHARES AND CONSIDERATION	1
2. COMPLETION.....	2
3. ENTIRE AGREEMENT.....	2
4. COUNTERPARTS	2
5. FURTHER ASSURANCE.....	2
6. SEVERABILITY	3
7. NO RIGHTS UNDER CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999.....	3
8. GOVERNING LAW.....	3



THIS AGREEMENT is made on 23 December 2002

BETWEEN

- (1) **PRIORY HEALTHCARE ACQUISITION CO LIMITED** whose registered office is at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP (the **Vendor**)
- (2) **PRIORY SECURITISATION LIMITED** whose registered office is at Priory House, Randalls Way, Leatherhead, Surrey KT22 7TP (the **Purchaser**)

WHEREAS

- (A) Priory Healthcare Holdings Limited (the **Company**) is a private company limited by shares with an issued share capital of £130,036,986 divided into 13,593,413 10 % Cumulative Preference shares of £1.00 each, 30,412,224 Special Shares of £1.00 each, 86,031,339 A Ordinary Shares of £1.00 each and 10 B Ordinary Shares of £ 1.00 each (the **Shares**). The Vendor is the sole legal and beneficial owner of the Shares.
- (B) The Vendor has agreed to sell all of the Shares to the Purchaser for the consideration and upon the terms set out in this Agreement.

IT IS AGREED as follows:

1. SALE OF THE SHARES AND CONSIDERATION

- 1.1 The Vendor agrees to sell the Shares and the Purchaser agrees to purchase the Shares on the terms that the same covenants shall be deemed to be given by the Vendor on Completion in relation to the Shares as are implied under Part I of the Law of Property (Miscellaneous Provisions) Act 1994 where a disposition is expressed to be made with full title guarantee, subject to the terms of and obligations contained within a debenture dated 10 June 2002 in favour of The Royal Bank of Scotland plc as trustee and a Security Accession Deed (entered into pursuant to the said Debenture) also dated 10 June 2002 made by the Vendor in favour of the said Royal Bank of Scotland plc (together the **Charge**) to the intent that the Purchaser shall observe and perform the covenants and obligations contained in, and hold the Business Assets subject to the Charge. The Shares shall be sold with all rights attaching to them including, without limitation, the right to receive all dividends and other distributions declared, made or paid on or after the date of this Agreement.
- 1.2 The total consideration for the sale of the Shares shall be the allotment by the Purchaser to the Vendor of 1 ordinary share of £1 credited as fully paid in the capital of the Purchaser (the **Consideration Share**). The Consideration Share shall rank pari passu with the existing ordinary shares of £1 each in the capital of the Purchaser.

2. COMPLETION

- 2.1 The sale and purchase of the Shares shall be completed immediately after this Agreement is signed, when the events set out in the following provisions of this clause 2 shall take place.
- 2.2 The Vendor shall deliver or cause to be delivered to the Purchaser duly executed transfers into the name of the Purchaser or its nominee in respect of all the Shares, together with the relative share certificates.
- 2.3 The Purchaser shall, in satisfaction of its obligations under clause 1.2, cause the Consideration Shares to be allotted to the Vendor and the Vendor's name to be entered in the register of members in respect thereof (with a relative share certificate being delivered to the Vendor).

3. ENTIRE AGREEMENT

This Agreement sets out the entire agreement and understanding between the parties in respect of the sale and purchase of the Shares. It is agreed that:

- (a) No party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement.
- (b) A party shall have no claim or remedy under this Agreement in respect of misrepresentation (whether negligent or otherwise, and whether made prior to, and/or in, this Agreement) or untrue statement made by any other party.
- (c) This clause shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

4. COUNTERPARTS

This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

5. FURTHER ASSURANCE

The Vendor agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Purchaser may reasonably require, whether on or after Completion, to implement and/or give effect to this Agreement and the transaction contemplated by it and for the purpose of vesting

in the Purchaser the full benefit of the assets, rights and benefits to be transferred to the Purchaser under this Agreement.

6. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

7. NO RIGHTS UNDER CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

8. GOVERNING LAW

This Agreement and the relationship between the parties shall be governed by, and interpreted in accordance with, English Law.

IN WITNESS whereof this Agreement has been signed by and on behalf of the parties on the day and year first before written.

SIGNED by Paul Greensmith)
for and on behalf of PRIORY)
HEALTHCARE ACQUISITION)
CO LIMITED)
in the presence of: [Signature])

[Signature]

SIGNED by Dr Chaitanya Patel)
for and on behalf of PRIORY)
SECURITISATION LIMITED)
in the presence of: [Signature])

[Signature]