

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 28 December 2016

Completed acquisition by Universal Health Services Inc. (through Cygnet Health Care Limited) of the Cambian Adult Services business

We refer to your emails dated 27 February and 7 April 2017 requesting that the CMA consents to derogations to the Initial Enforcement Order of 28 December 2016 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Cygnet, Cygnet UK TopCo and UHS are required to hold separate the Cambian Adult Services business from the UHS/Cygnet business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Cygnet, Cygnet UK TopCo and UHS may carry out the following actions, in respect of the specific paragraphs:

Derogation from paragraphs 4(a), 5(f) and 5(l)

IT infrastructure

In order to ensure that UHS/Cygnet are in a position to provide the necessary IT services to CAS that are currently being provided by Cambian Group under the Transitional Services Agreement ("TSA") when the TSA and IEO are no longer in effect, the CMA consents to:

- (a) The [redacted] (which was procured in line with the derogation granted on 24 February 2017) on or around [redacted], in order to enable the [redacted]; and
- (b) the CMA consents to the [redacted] for these purposes.

This derogation is granted on the basis that:

- (c) security settings will be put in place [redacted];
- (d) the [redacted] will be undertaken by a third party IT service provider working on behalf of CAS; and except to the extent set out above, the CAS [redacted] [IT infrastructure] will be kept independent from Cygnet's IT infrastructure while the IEO is in place.