

13 April 2017

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 March, and 7, 11 and 12 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(a) and 5(l)

Financial information

1. The CMA consents to the members of Cygnet's accounting team listed in Annex 1 (the **Designated Finance Team**) providing support and resources to CAS and the team put in place following the derogation granted on 28 December 2016 (the **Previous Financial Derogation**).
2. Such access is necessary in order to allow UHS to comply with its statutory reporting obligations and to ensure the ongoing viability of the CAS business.
3. In particular, the CMA consents to the Designated Finance Team:
 - a. receiving financial information from CAS, inputting information, running reports, processing payments and managing the payroll for CAS; and

- b. being involved in the receipt and preparation of the same information and activities listed in the Previous Financial Derogation.
4. This is on the basis that the Designated Finance Team will enter into appropriate confidentiality and non-use undertakings in a form acceptable to the CMA, and firewalls will be put in place to prevent any other UHS employee from accessing CAS information as a result of this arrangement.

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

Rebranding

The CMA consents to the Parties re-branding the Cambian Adult Services (CAS) sites listed in Annex 1 (each of which supply services in which the Parties do not overlap) with Cygnet branding by [X] including, in particular:

- a. any signage at the sites;
- b. the letterhead used at the sites, and by CAS centrally (for example, for invoicing purposes);
- c. printed materials used by the sites;
- d. staff uniforms; and
- e. marketing materials.

To the extent any re-branding of the types listed above is necessary in respect of the CAS sites listed in Annex 2, [X] the CMA also consents to this re-branding taking place.

Annex 1

The Designated Finance Team will comprise the following individuals:

1. [X] Group Billing Manager
2. [X] Group Reporting Accountant
3. [X] Corporate Accountant
4. [X] Trainee Accountant
5. [X] Trainee Accountant
6. [X] Internal Audit Assistant
7. [X] Internal Audit Manager
8. [X] Finance Analyst
9. [X] Sales Ledger Administrator
10. [X] Group Financial Controller
11. [X] Group Management Accountant

Annex 2

1. [✂]

2. [✂]

3. [✂]

4. [✂]

5. [✂]

6. [✂]

7. [✂]

8. [✂]

9. [✂]

10. [✂]

11. [✂]

12. [✂]

13. [✂]

14. [✂]

15. [✂]

16. [✂]

17. [✂]

18. [✂]

19. [✂]

20. [✂]

21. [✂]

22. [✂]

23. [✂]

24. [✂]

25. [X]

26. [X]

27. [X]

28. [X]

29. [X]

30. [X]

31. [X]

32. [X]

33. [X]

34. [X]

35. [X]

36. [X]

37. [X]

38. [X]

Annex 3

1. [✂]
2. [✂]
3. [✂]
4. [✂]