

**DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT
ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT
2002**

**Completed acquisition of GHG Healthcare Holdings Limited by
Circle Health Holdings Limited**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 11 March 2020.

We refer to your letter dated 28 January 2020, requesting that the CMA consent to derogations to the Initial Enforcement Order of 20 December 2019, as re-issued on 11 March 2020 (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, Penta Capital LLP ("**Penta**") and Circle Health Holdings Limited ("**Circle**") are required to hold separate the business of Penta (the "**Penta business**") from the business of GHG Healthcare Holdings Limited ("**GHG**") and its subsidiaries, 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. GHG is the parent company of BMI Healthcare Limited. GHG and its subsidiaries, including BMI Healthcare Limited are collectively referred to in this derogation as "**BMI**".

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, Circle may carry out the following actions, in respect of the specific paragraphs of the Initial Order:

1. Integration planning information – paragraph 5(l) of the Initial Order

The CMA understands that in order to facilitate efficient and effective integration planning discussions between Circle and BMI, it will be necessary for Circle and BMI to exchange certain non-commercially sensitive information in relation to payroll, HR, IT and accounting policies processes and systems. Based on the information provided to the CMA, the CMA understands that such a derogation would not prejudice a CMA

reference or impede the taking of any action which may be justified by the CMA's decision on a reference. The CMA therefore consents to Circle employees exchanging information and having discussions with the BMI individuals identified in Annex A to this derogation request relating to:

- (a) information in respect of group-wide payroll, HR, IT and accounting functions of BMI and Circle, which is required to allow Circle and BMI to plan for the integration of those systems, including all group-wide policies in relation to these functions; and
- (b) information relating to system and process maps, IT system details and the configuration of Circle's and BMI's IT system (including the extent of bespoke aspects involved).

This derogation is granted pursuant to the following conditions:

- (c) such information would not include any commercially-sensitive or confidential information of Circle or BMI such as information on specific patients or current or proposed future prices and/or any commercial strategy, and would exclude any information relating specifically to BMI or Circle's sites in Birmingham, Bath or Reading;
- (d) the derogation requested does not extend to any integration, but only to the exchange of information necessary to facilitate the development of functional integration models and plans;
- (e) all Circle and BMI employees receiving information under this derogation will sign suitable confidentiality undertakings in a form to be agreed with the CMA;
- (f) no further changes to the personnel covered by this derogation are permitted without the consent of the CMA, such consent will be in writing (including via email); and
- (g) Circle and BMI will ensure that appropriate protections are put in place to prevent any other BMI and Circle employee that is not permitted to receive the information from accessing this information, including that all documents containing which are received in the context of this derogation will be password protected, and the passwords will be known only to the designated individual(s) entitled to receive the information in question.

Clementine Messent

Assistant Director, Mergers

10 February 2020 and re-issued on 11 March 2020

Annex A

Identified BMI integration planning individuals

Name	Title
[✂]	CEO
[✂]	CFO
[✂]	Medical Director
[✂]	HR Director
[✂]	IT Director
[✂]	Head of IT Programmes
[✂]	Group Finance Director
[✂]	BBS Finance Director
[✂]	Head of Payroll
[✂]	Head of Patient Administration