

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS 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 24 April 2020 and email of 7 May 2020 requesting that the CMA consents 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:

**1. Paragraphs 5(e) of the Initial Order**

Circle requests a derogation to vary the terms of the property leases to which BMI is a party. The CMA understands that in a separate transaction, Medical Properties Trust (**MPT**) acquired the real estate of a number of the hospitals operated by BMI and that, as part of the Transaction, Circle and MPT agreed to vary the lease terms of those sites (the **MPT Lease Terms Variations**). The Parties have submitted that

a number of the agreed variations would be of benefit to the hospitals given the challenges currently faced as a result of the coronavirus (COVID-19) pandemic ([REDACTED]). The Parties have submitted that these changes will assist with cash flow management and provide greater certainty for the group and hospitals.

The MPT Lease Terms Variations include:

- (a) [REDACTED];
- (b) [REDACTED];
- (c) [REDACTED];
- (d) [REDACTED];
- (e) [REDACTED];
- (f) [REDACTED];
- (g) [REDACTED];
- (h) [REDACTED].

The CMA understands that the MPT Lease Terms Variations which would apply to the BMI hospitals whose premises are leased from MPT would make the terms of the BMI leases consistent with the ordinary course third party lease terms that MPT has with other UK hospital operators.

Based on the information provided to the CMA, the CMA considers that the requested derogation would not prejudice a reference or impede the taking of any action which may be justified by the CMA's decisions on the reference.

On this basis, the CMA consents to Circle executing the MPT Lease Terms Variations and taking any other ancillary steps which may be required in connection with the entry into the MPT Lease Terms Variations.

**Clementine Messent**  
Assistant Director  
11 May 2020