

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

Dear Mr [✂]

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 8 August 2025

Completed acquisition by Primary Health Properties plc of Assura plc

We refer to your email and accompanying note dated 29 July 2025 (the **Request**) and emails dated 5, 6 and 12 August 2025 requesting that the CMA consents to derogations to the Initial Enforcement Order of 8 August 2025 (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, Primary Health Properties Plc (**PHP**) is required to hold separate the Assura Plc (the **Target**) business from the PHP business and refrain from taking any action that 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 PHP's request for derogations from the Initial Order on behalf of itself and the Target, based on the information received from PHP and in the particular circumstances of this case, the CMA has determined that PHP and the Target (together, the **Parties**) may carry out the following actions in respect of the following specific paragraphs of the Initial Order:

Paragraphs 5(a) and 5(l) of the Initial Order

Audit planning and financial reporting

The CMA understands that PHP will need: (a) to receive access to the Target's financial performance documentation to enable it to meet its regular periodic reporting requirements, including the preparation of consolidated Group accounts which will need to be audited in line with public company auditing standards and requirements; (b) as part of its general audit planning, to undertake a review of the Target's accounting policies and the extent of alignment between those policies and PHP's;

and (c) to document the Target's general reporting and tax requirements (the **Permitted Financial Reporting Purpose**).

The CMA understands that the information required by PHP for the preparation of consolidated accounts includes: (i) the Target's full management accounts with underlying ledger information, supporting workpapers including taxation and control account reconciliations; (ii) Audit Committee papers and Risk Committee papers; and (iii) any other customer information required to enable the preparation of accounts.

A derogation is granted from paragraphs 5(a) and 5(l) of the Initial Order to permit the clean team and PHP's auditors, to access the Target's financial performance documentation, subject to the following conditions:

- a) The clean team for this purpose (the **Financial Reporting Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business. The Target's financial information and documentation will only be provided to the Financial Reporting Clean Team and Deloitte as external auditors and will be limited to what is strictly necessary for the Permitted Financial Reporting Purpose.
- b) Each member of the Financial Reporting Clean Team will be subject to specific confidentiality obligations included within the Financial Reporting Clean Team confidentiality undertaking in a form approved by the CMA.
- c) No changes to the Financial Reporting Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the Financial Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- d) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the Financial Reporting Clean Team for the purposes of the derogation.
- e) This derogation will not result in any integration between the Target business and the PHP business.
- f) In the event that remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any

copies destroyed, except to the extent that record retention is required by law or regulation.

- g) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.
- h) Any disclosure under this derogation should not occur earlier than necessary for the purposes of the derogation.

Paragraph 5(l) of the Initial Order

Oversight and financial monitoring

The CMA understands that PHP will require the ability to ensure that the integrity of the Target's ongoing business is maintained, including avoiding material changes to the Target's business that have the potential to cause a material financial or operational impact (the **Permitted Oversight and Monitoring Purpose**).

A derogation is granted from paragraph 5(l) of the IEO to enable certain individuals within a designated clean team at PHP to receive information (i) deemed material by the Target; and/or (ii) relating to non-ordinary course activities or new legal commitments or arrangements not in place at the time of Completion, which have the potential to cause a financial impact of £250,000 and above to the Target's business, subject to the following conditions:

- a) The clean team for this purpose (the **Oversight Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business. Mr [X] will be subject to specific confidentiality obligations included within an Oversight Clean Team confidentiality undertaking which will be in place for the duration of the IEO.
- b) Each member of the Oversight Clean Team will be subject to specific confidentiality obligations included within a Oversight Clean Team confidentiality undertaking in a form approved by the CMA.
- c) The permitted information required to be accessed by the Oversight Clean Team in order to fulfil the permitted purpose is any information that meets the thresholds identified above. These thresholds are intended to capture only material items, and will therefore ensure that the information notified to PHP is limited to that which is strictly necessary for PHP to fulfil the permitted purpose. It is noted that the CMA may adjust these thresholds, if considered appropriate.
- d) No changes to the Oversight Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member

of the Oversight Clean Team must not have any strategic or commercial decision-making role within the PHP business.

- e) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the Oversight Clean Team for the purposes of the derogation.
- f) This derogation will not result in any integration between the Target business and the PHP business.
- g) In the event that remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.
- h) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Information on USS Joint Venture Disposals

The CMA understands that the Target entered into a joint venture arrangement with Universities Superannuation Scheme Limited (**USS**) in 2024 (the **JV**), which was seeded with c. £107 million of the Target's assets, with the Target retaining a 20% stake in the JV. The Target's publicised plan has been to grow the JV substantially, up to £250 million of the next three years, with the potential to grow to £400 million, by means of the sale of certain of the Target's assets into the JV (the **Permitted USS JV Disposal Purpose**).

A derogation is granted from paragraph 5(l) of the IEO to enable certain individuals within a designated clean team at PHP, and PHP's financial advisers, to receive confidential information from the Target regarding the proposed pipeline of disposals into the JV, subject to the following conditions:

- a) The clean team for this purpose (the **USS JV Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business.
- b) The Permitted USS JV Disposal Purpose for which the USS JV Clean Team and its advisers are permitted to receive information regarding the JV is to enable PHP to ensure both that the Target does not make any disposals or otherwise take any strategically transformative decisions in relation to the JV which have the potential to cause a material financial impact to the combined

group and to permit the Target to be in a position to deliver its pre-existing business plan including disposal of material assets.

- c) The permitted information required to be accessed by the USS JV Clean Team in order to fulfil the Permitted USS JV Disposal Purpose will be limited to that information which is strictly necessary in order to fulfil the permitted purpose. This will include information concerning the assets concerned, the process and timing of disposals and the arrangements pursuant to which the JV will take ownership of them.
- d) The Permitted USS JV Disposal Purpose would not involve any form of binding agreement for the sale of any assets.
- e) Each member of the USS JV Clean Team will be subject to specific confidentiality obligations included within USS JV Clean Team confidentiality undertaking in a form approved by the CMA.
- f) No changes to the USS JV Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the USS JV Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- g) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the USS JV Clean Team for the purposes of the derogation.
- h) This derogation will not result in any integration between the Target business and the PHP business.
- i) In the event that remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.
- j) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Integration planning

The CMA understands PHP intends to develop and approve the integration and synergy plan with the assistance of the Target, which may also include a review of the Target's existing contractual arrangements (**Integration Planning Purpose**).

A derogation is granted from paragraph 5(l) of the IEO to permit certain individuals within a designated clean team at PHP to carry out integration planning, subject to the following conditions.

- a) The clean team for this purpose (the **Integration Planning Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business.
- b) The Integration Planning Purpose for which the Integration Planning Clean Team and PHP's advisers are permitted to access certain confidential information pertaining to the Target, including its existing contractual arrangements, is to undertake preparatory integration planning so as to ensure the Combined Group is able to operate effectively once CMA approval for the transaction is obtained.
- c) The scope of the permitted information that can be accessed by the Integration Planning Clean Team will be limited to that which is strictly necessary for the purposes of the integration planning process.
- d) The steps taken during integration planning will be preparatory only, and no steps will be taken to implement the integration plan. Accordingly, there will be no operational integration between the two businesses.
- e) No changes to the Integration Planning Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the Integration Planning Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- f) Each member of the Integration Planning Clean Team will be subject to specific confidentiality obligations included within the Integration Planning Clean Team confidentiality undertaking in a form approved by the CMA.
- g) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the Integration Planning Clean Team for the purposes of the derogation.
- h) This derogation will not result in any integration between the Target business and the PHP business.
- i) In the event that remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the

purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.

- j) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Pre-marketing of the disposal of PHP assets

The CMA understands that PHP intends to reduce the combined group's leverage and PHP envisaged that this will be undertaken through, inter alia, targeted asset disposals (including into joint ventures), including (but not limited to) disposals of the Target's portfolio of private hospitals in the United Kingdom which the Target leases to leading private healthcare operators (the **Thames Portfolio**) (**Disposal of Thames Portfolio Purpose**). The Target only acquired the Thames Portfolio in August 2024.

A derogation is granted from paragraph 5(l) of the IEO to permit certain individuals within a designated clean team at PHP to supervise and provide instructions in respect of pre-marketing discussions led by PHP's financial advisers with interested parties for the intended disposal of the Thames Portfolio, during which negotiations confidential information may be required to pass from the Target to PHP's clean team, subject to the following conditions:

- a) The clean team for this purpose (the **Thames Portfolio Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business.
- b) The Disposal of Thames Portfolio Purpose for which confidential information is required to pass from the Target to the Thames Portfolio Clean Team is to enable PHP to engage in the pre-marketing discussions led by its advisers relating to the disposal of the Thames Portfolio.
- c) The permitted information will be limited to that which is strictly necessary to enable the progression of pre-marketing discussions with third parties for the disposal of the Thames Portfolio.
- d) The Disposal of Thames Portfolio Purpose would not involve any form of binding agreement to deal with the assets, whether belonging to PHP or the Target.
- e) Each member of the Thames Portfolio Clean Team will be subject to specific confidentiality obligations included within the Thames Portfolio Clean Team confidentiality undertaking in a form approved by the CMA.
- f) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information

shared with the Thames Portfolio Clean Team for the purposes of the derogation.

- g) This derogation will not result in any integration between the Target business and the PHP business.
- h) No changes to the Thames Portfolio Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the Thames Portfolio Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- i) In the event that remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.
- j) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Pre-integration planning with USS JV

The CMA understands that PHP intends to undertake integration planning in connection with the possible future pipeline of disposals into the USS JV post-completion and post-CMA clearance. In particular, the potential for the JV or other third-party investors to receive additional assets beyond those currently contemplated in the Target business plan for disposal into the USS JV (**Pre-Integration Planning with USS JV Purpose**).

A derogation is granted from paragraph 5(l) of the IEO to permit certain individuals within a designated clean team at PHP, and PHP's financial advisers, to carry out preliminary discussions relating to the Pre-Integration Planning with USS JV Purpose, subject to the following conditions:

- a) The clean team for this purpose (the **USS Integration Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business.
- b) The Pre-Integration Planning with USS JV Purpose for which the USS Integration Clean Team is required to engage in preliminary discussions relating to the future disposals of assets into the USS JV is to enable PHP to undertake integration planning so that it is in a position to plan any necessary asset disposals expeditiously following the receipt of CMA approval for the transaction, for the purpose of debt reduction.

- c) The Pre-Integration Planning with USS JV Purpose would not involve any form of binding agreement to deal with the assets, whether belonging to PHP or the Target.
- d) The permitted information will be limited to that which is strictly necessary to enable PHP to carry out the permitted purpose.
- e) Each member of the USS Integration Clean Team will be subject to specific confidentiality obligations included within the USS Integration Clean Team confidentiality undertaking in a form approved by the CMA.
- f) No changes to the USS Integration Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the USS Integration Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- g) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the USS Integration Clean Team for the purposes of the derogation.
- h) This derogation will not result in any integration between the Target business and the PHP business.
- i) In case remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.
- j) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Financial obligations under the facilities agreement

The CMA understands that following completion of the transaction, the Target's information is to be provided to PHP's lenders pursuant to its obligations under the relevant financing agreement (the **Facilities Agreement**): (i) promptly upon becoming aware, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the PHP Group and which might, if adversely determined, have a 'Material Adverse Effect' (as defined in the Facilities Agreement); (ii) promptly upon becoming aware, details of any judgment or order of a court, arbitral body or agency which is made against any member of the PHP Group and which might have a 'Material Adverse Effect'; (iii)

promptly upon becoming aware, such further information regarding the financial condition, business and operations of any member of the Group as any 'Finance Party' (as defined in the Facilities Agreement (through the 'Agent' (as defined in the Facilities Agreement))) may reasonably request; and (iv) within 30 days following each of 31 December and 30 June, details of any properties sold by any company in the PHP (**Financial Obligations under Facilities Agreement Purpose**).

A derogation is granted from paragraph 5(l) of the Initial Order to permit certain individuals within a designated clean team at PHP for the Financial Obligations under Facilities Agreement Purpose to access the Target's information, subject to the following conditions:

- a) The clean team for this purpose (the **Financing Obligations Clean Team**) will consist of Mr [X]. Mr [X] is not involved in PHP's day-to-day business affairs and does not hold a strategic or decision-making role within the business.
- b) The Financial Obligations under the Facilities Agreement Purpose for which the Financing Obligations Clean Team is permitted to receive the above information relating to the Target is to enable PHP to comply with its obligations under the Facilities Agreement.
- c) The permitted information will be strictly limited to the above information, which is prescribed by the requirements of the lenders under the Facilities Agreement.
- d) Each member of the Financial Obligations Clean Team will be subject to specific confidentiality obligations included within the Financial Obligations Clean Team confidentiality undertaking in a form approved by the CMA.
- e) No changes to the Financing Obligations Clean Team are permitted without the prior written consent of the CMA (which can be provided via email), and each member of the Financing Obligations Clean Team must not have any strategic or commercial decision-making role within the PHP business.
- f) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within PHP from accessing the information shared with the Financing Obligations Clean Team for the purposes of the derogation.
- g) This derogation will not result in any integration between the Target business and the PHP business.
- h) In case remedial action may be required by the CMA in relation to the Target business, PHP will ensure that any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature,

wherever they may be held, that were received from the Target for the purposes of this derogation will be returned to the Target and any copies destroyed, except to the extent that record retention is required by law or regulation.

- i) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Merger.

Paragraph 5(e) of the Initial Order

Disposal of target assets in accordance with the business plan

The CMA understands that the Target presently holds around £18 million assets for sale, meaning it is considered that the assets will be disposed of in the next financial year.

A derogation is granted from paragraph 5(e) of the Initial Order to permit the Target to dispose of assets held for sale, in line with its pre-existing business plan, subject to the following conditions:

- a) Any such disposal shall be subject to prior written consent of the CMA (which can be provided via email). The Target must obtain written confirmation from the CMA before proceeding with any disposal of assets currently classified as held for sale.
- b) The CMA shall be notified as soon as possible in advance and no later than one week ahead of the planned disposal and in order for the specific consent for that to be obtained. The Target shall provide the CMA with any such information the CMA may reasonably require for the purpose of providing its approval under this derogation.

Anastasija Rogozianskaja

Assistant Director, Mergers

12 August 2025

It is a criminal offence under section 117 of the Enterprise Act 2002 for a person to recklessly or knowingly supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both (Section 117 of the Enterprise Act 2002). In addition, the CMA can impose penalties if a person has, without reasonable excuse, supplied to the CMA information which is false or misleading in any material respect (Section 110(1A)) as

described in the Annex and the [Administrative penalties: Statement of Policy on the CMA's approach \(CMA4\)](#).

ANNEX 1

Penalties for the provision of false or misleading information

1. Imposition of civil penalties

- 1.1 Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that
- (a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
 - (b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under part 3 of the Act.
- 1.2 Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

2. Amount of penalty

- 2.1 Under section 111(4), a penalty imposed under section 110(1A) shall be of such amount as the CMA considers appropriate.
- 2.2 A penalty imposed under section 110(1A) on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- 2.3 Under section 111(4A) a penalty imposed under section 110(1A) on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- 2.4 In deciding whether and, if so, how to proceed under section 110(1A), the CMA must have regard to the statement of policy which was most recently published under section 116 at the time when the act of omission occurred.