

**Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 17 April 2015**

**Completed acquisition of Bournemouth Water Investments Limited by Pennon Group PLC ('Pennon')**

Under the Initial Enforcement Order of 17 April 2015 (the 'Order') provision was made that Pennon will hold separate the Pennon business (as defined in the Order) from the Bournemouth Water business unless given written consent by the CMA to do otherwise. After due consideration of your request for derogations from the Order, Pennon may carry out the following actions, in respect of the specific paragraphs:

**Paragraphs 4(a), 5(a) and 5(b) of the Order**

During the specified period, the CMA consents to the provision of the following general corporate and group services by Pennon for the Bournemouth Water business:

- i. Legal functions including (but not restricted to) commercial advisory services, commercial contracts, real estate issues and Water and Statutory Regulations;
- ii. Pensions including advisory functions and setting out best practice and functions;
- iii. Group Corporate Governance and Internal Audit functions including Treasury, tax, and financial control (including compliance with accounting standards); and
- iv. Information services provision and support (subject to an obligation not to undertake any integration unless and until consent has been given by the CMA).

The consent is granted on the basis that the recipients of the information provide confidentiality undertakings to Bournemouth Water and on the basis that, should the merger be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

**Paragraphs 4(a) and 5(l) of the Order**

To the extent that any derogation from the Order is necessary during the specified period the CMA consents to Pennon providing Bournemouth Water with its group policies and procedures on issues such as directors' conflict of interests, pensions best practice and water industry guidance and regulation.