

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 8 August 2016

Completed acquisition by Dining Club Group Limited of Hi-Life Diners Club Limited

We refer to your emails of 10 August 2016 and 18 August 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 8 August 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, Bridgepoint Group Limited, Dining Club Group Limited (**Dining Club Group**) and State Bidco Limited are required to hold separate the Dining Club business from the Hi-Life Diners Club 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, Bridgepoint and its subsidiaries other than the Dining Club Group may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4 and 5 of the Initial Order

Given that Bridgepoint has a large number of portfolio companies that do not carry out business activities related to that of the Dining Club Group or Hi-Life Diners Club, the CMA grants the derogation that Bridgepoint's subsidiaries other than Dining Club Group Limited and its subsidiaries are not subject to the Order and may carry on business as usual in so far as any activities carried out by these subsidiaries do not impact the stand-alone viability of the Dining Club Group Limited and Hi-Life Diners Club Limited businesses.

2. Paragraph 5 (c) of the Initial Order

In order to allow Bridgepoint to carry out its activities that are wholly unconnected to its interest in the Dining Club Group Limited the CMA grants Bridgepoint a derogation from paragraph 5 (c) of the initial order in so far as Bridgepoint makes the changes addressed in that paragraph within Bridgepoint. For the avoidance of doubt,

this derogation does not allow Bridgepoint to make such changes with regard to the Hi-Life Diners Club business or any activities carried out by Dining Club Group Limited.

3. Paragraph 5 (d) of the Initial Order

For the reason set out in 2. and to the extent that Bridgepoint supplies goods and services in the UK that are unrelated to the provision of those goods and services provided by Dining Club Group Limited, the CMA grants Bridgepoint a derogation from paragraph 5 (d) of the Initial Order. Nothing in this derogation shall relieve Bridgepoint from the obligation to maintain and preserve the nature, description, range and quality of goods and services supplied in the UK by the Dining Club Group Limited or the Hi-Life Diners Club business.

4. Paragraph 5 (e) of the Initial Order

For the reason set out in 2. the CMA grants Bridgepoint a derogation from paragraph 5 (e) with regard to assets of Bridgepoint. For the avoidance of doubt, this derogation relates only to assets of Bridgepoint, and

- (i) all assets of the Hi-Life Diners Club business and those assets of the Dining Club business that relate to the business of Dining Club Group Limited are to be maintained and preserved, including facilities and goodwill;
- (ii) none of the assets of the Hi-Life Diners Club business or the Dining Club business that relate to the business of Dining Club Group Limited are to be disposed of; and
- (iii) no interest is to be created or disposed of in the assets of the Hi-Life Diners Club business or the Dining Club business as far as they relate to the business of Dining Club Group Limited.

5. Paragraph 8 of the Initial Order

Bridgepoint is granted a derogation from paragraph 8 of the Initial Order solely in relation to its activities other than the Hi-Life Diners Club business or those activities relating to Dining Club Group Limited. For the avoidance of doubt, Bridgepoint shall, or shall procure that Hi-Life Diners Club shall, actively keep the CMA informed of any material developments relating to the Hi-Life Diners Club business or the activities of Dining Club Group Limited.