

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

Completed acquisition by SSCP Spring Topco Limited of Acorn Care 1 Ltd

We refer to your email dated 8 November 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 8 September 2016 (the 'Initial Order').

Definitions

The terms defined in the Initial Order have the same meaning in this letter, unless otherwise specified.

'**NFA**' means Belton Associates (Group Holdings) Limited (Company No: 07875698) and its subsidiaries and includes all entities in the Stirling Group carrying out fostering operations as at the commencement date.

'**Acorn**' means all entities carrying out the Acorn business as defined in the Initial Order.

'**Non-fostering businesses**' means only the businesses involved in the supply of residential care and special needs education (and not foster care).

Under the Initial Order, save for written consent by the CMA, Stirling Group and SSCP Spring are required to hold separate the Acorn business from the Stirling Group 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 the CMA consents to the following:

Derogations

1. Paragraph 5(l) of the Initial Order

For the sole purpose of exercising a supervisory function over the non-fostering businesses in the context of their obligations to Acorn's investors, the CMA gives consent for [X], SSCP Spring and [X], SSCP Spring (collectively the Authorised Individuals) to:

- receive extracts of Acorn's board pack which relate solely to the non-fostering businesses; and
- discuss the same with Acorn's management, to the extent that it is strictly necessary solely for the purpose outlined above.

For the avoidance of doubt:

- Information shared via the extracts discussed in this derogation will not include any information relating, directly or indirectly, to any other business of Acorn including fostering business.
- The Authorised Individuals would need to seek an additional derogation from the CMA in order to be able to act and/or take any decision based on the above information.

Safeguards

Undertakings and NDAs

The information referred to paragraph 1 above will only be provided to the Authorised Individuals once the entity providing the said information has received an appropriate signed written undertaking and a Non-Disclosure Agreement (NDA) (in a form approved in advance by the CMA) from the Authorised Individuals undertaking:

- a) to preserve confidentiality of the information;
- b) not to discuss or otherwise share the information received by them with any person other than those permitted to receive the said information in terms of this letter; and
- c) not to use the information in any manner, directly or indirectly, other than for the specific purpose for which the consent is provided for.

Firewalls

Stirling Group, SSCP Spring, NFA and Acorn will ensure that robust firewall measures are put in place to prevent all employees of Stirling Group, SSCP Spring or NFA from accessing information relating to the non-overlap businesses including:

- a) Restrictions on Authorised Individuals' email accounts to prevent unauthorised access;
- b) All documents containing information provided to the Authorised Individuals in terms of this letter to be password protected only to be known to the Authorised Individuals entitled to access the information as detailed in this letter; and
- c) Any hard copies of the information provided to the Authorised Individuals in terms of this letter to be kept in a specific folder in a locked filing cabinet to which only the Authorised Individuals have access.

Destruction and return of Acorn and NFA information

In the event that the transaction is prohibited or remedies accepted, any records or copies (electronic or otherwise) of such information that have passed, will be returned to the entity to which they relate, wherever they may be held and any copies destroyed.