

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 9 December 2016

Anticipated acquisition by Dover Corporation (“Dover”) of Wayne Fueling Systems Ltd. (“Wayne”)

We refer to your emails requesting that the CMA consent to derogations to the Initial Enforcement Order of 9 December 2016 (the “Initial Order”). The terms defined in the Initial Order have the same meaning here.

Under the Initial Order, save for written consent by the CMA, Dover Corporation is required to hold separate the Dover business from the Wayne 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 the proposed ring-fence of Wayne’s business in the UK, and in the particular circumstances of this case, Dover may carry out the following actions in respect of the specific paragraphs.

Paragraphs 5, 6, 7 and 9 of the Initial Order

On the basis of Dover’s submission that Wayne’s business in the UK conducted by Wayne Fueling Systems UK Ltd. (“Wayne UK”) is a standalone business, the CMA consents to any act or omission that would otherwise constitute a breach of paragraphs 5, 6, 7 and 9 of the Initial Order, but only to the extent that such act or omission does not affect or otherwise impact directly or indirectly businesses involved in the independent distribution, sale and servicing of Wayne products and Dover fuel dispensers in the UK.

Accordingly, with the exception of the Wayne UK business whose activities are to be conducted in accordance with the ring-fencing provisions set out below, the Dover and Wayne businesses globally may be integrated.

Non-overlapping Wayne UK subsidiaries

Wayne UK has two wholly-owned subsidiaries: Wayne Fuel Management Limited (UK) and Wayne Fueling Systems Pte. Ltd. (Singapore). It also holds a [] interest in Wayne Fueling Systems (Rus) LLC.

Wayne's UK subsidiary Wayne Fuel Management Limited provides fuel management solutions (including remote wetstock management) and construction and forecourt services. Wayne Fueling Systems Pte. Ltd. is a Singapore-based entity, and Wayne Fueling Systems (Rus) LLC is a Russia-based entity. On the basis that none of these three businesses are involved in the supply, distribution, sale or servicing of fuel dispensers in the UK, these businesses are released from the requirements of the Initial Order and may be transferred out from under Wayne UK and integrated with Dover.

Ring-fence of the Wayne UK business

Wayne UK will continue to be managed by its own dedicated local management team and will remain autonomous from the wider integrated Dover/Wayne group. The specific derogations from the Initial Order required to implement the ring-fence are the following.

Paragraph 6(f)

On the basis of Wayne's representation that Wayne UK is currently reliant on information technology infrastructure and communications backbone services (e.g. [REDACTED]) being provided by the wider Wayne group. The CMA consents to Dover providing Wayne UK with those same services on a transitional basis.

Paragraphs 6(g) and (h)

On the basis that:

- Wayne UK currently supplies [REDACTED] with fuel dispensers and other equipment in the UK pursuant to a global contract [REDACTED], and
- the contractual relationship with [REDACTED] will continue to be held centrally with Wayne;

the CMA consents, to the extent the need arises, to Dover conducting with [REDACTED] and with Wayne UK any commercial discussions or negotiations that may be required for the fulfilment in the UK of such contract by Wayne UK on behalf of Wayne globally.

Paragraph 6(j)

The CMA consents to Wayne UK transferring the following individuals to the integrated Dover/Wayne group on the basis that their employment relates to the wider Wayne business and not to that of Wayne UK:

- [REDACTED], VP Europe and Global Strategic Initiatives, who is a senior member of the Wayne global leadership team with responsibility for Wayne's wider activities across all of Europe. The majority of [REDACTED]'s working time is spent at Malmo in Sweden.
- [REDACTED], European Sales Director, who is responsible for sales across Europe with a number of European target accounts and does not have any direct reports in the UK.
- [REDACTED], Global Strategic Procurement Manager, who is responsible for the global sourcing of raw materials (for example nozzles, hoses and plastics) for Wayne's manufacturing operations.
- [REDACTED], Global [REDACTED] Key Account Manager. Manwinder is responsible for Wayne's global [REDACTED] account (a contractual relationship that will remain with Wayne once the divestment of Wayne UK has taken place). His role is heavily linked to Wayne's manufacturing facilities in the US, Sweden and China.
- [REDACTED], Middle East Africa Technical Service Manager, who has no current responsibility for any UK activities.
- [REDACTED], software and electronics engineer, who is part of Wayne's global engineering product development team and not directly involved in any UK activities.

Paragraph 6(l)

With regard to exchanges of information about or between Wayne UK and Dover, or vice versa, on the basis that Wayne UK is currently reliant on tax and treasury support functions being provided by the wider Wayne group, subject to the below safeguard, the CMA consents to

- Dover providing Wayne UK with those same back office services on a transitional basis; and
- in order to permit Dover to meet its SEC financial reporting and compliance oversight obligations as a listed company, the Managing Director of Wayne UK [REDACTED] providing monthly trading updates, financial statements and confirmation that Wayne UK is operating in compliance with ethical and other regulatory requirements to the following Dover senior executives: [REDACTED] .

On the basis that Wayne UK's subsidiaries are currently reliant on its back office support functions, subject to the below safeguard, the CMA consents to Wayne UK continuing to provide back office services to Wayne Fuel Management Limited (UK) and to Wayne Fueling Systems Pte. Ltd. (Singapore) on a transitional basis.

Safeguard

Dover will ensure that those individuals receiving information from or about Wayne UK will in each case enter into a non-disclosure agreement in a form approved in advance by the CMA. In the event that the transaction is prohibited, any records or copies (electronic or otherwise) of information that has passed, wherever it may be held, will be returned to Wayne UK and any copies destroyed.