

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 Limited

We refer to your letter and email dated 2 February 2017 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.

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

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

Pursuant to the CMA's decision dated 30 January 2017, in order to address the CMA's SLC concerns, SSCP Spring, NFA and Acorn are seeking to offer undertakings in lieu of a Phase 2 reference that will divest businesses in the SLC

areas identified by the CMA. For the sole purpose of effecting the sale of the businesses proposed to be divested (**'Divestment Businesses'**) by SSCP Spring, NFA and Acorn, the CMA gives consent for [X] (the **'Authorised Individual'**) to receive the information listed below regarding the Divestment Businesses (**'Business Sale Information'**):

- a) summary historical and projected financial information;
- b) summary corporate information ie staffing including marketing and sales, HR, finance and other functions, regulatory compliance (including health and safety) and insurance coverage;
- c) summary business infrastructure information such as offices and IT infrastructure;
- d) summary operational information including key customers and contracts, carer numbers, placement numbers, placement fees, employee numbers and salaries;
- e) summary quality and carer retention information;
- f) summary information on growth strategy; and
- g) the underlying documents relating to the above items at (a)-(f) only to the extent required for preparation of the due diligence package for potential purchasers of the Divestment Businesses.

For the avoidance of doubt:

- Business Sale Information will not include any other information relating, directly or indirectly, to any other business of Acorn including fostering business.

2. Safeguards

As noted above, the derogation in relation to paragraph 5(l) listed above is granted on the basis of the following understanding and safeguards:

- a) that the Authorised Individual is not involved in either the day-to-day or commercial decision making of the NFA business as regards its dealings with local authorities and local authority consortia.

Undertakings and NDAs

The information referred to paragraph 1 above will only be provided to the Authorised Individual 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 Individual undertaking:

- a) to preserve confidentiality of the information;
- b) not to discuss or otherwise share the information received by him with any person other than those permitted to receive the said information in terms of a previously granted derogation by the CMA; 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 the Business Sale Information including:

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

Destruction and return of Acorn and NFA information

In the event that the transaction is prohibited or remedies not 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.