

Completed acquisition by Electro Rent Corporation of Test Equipment Asset Management Limited and Microlease Inc.

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 1 February 2017

We refer to your email of 2 February, and accompanying further information in emails of 3, 7, 9, 17 and 22 February 2017, requesting that the CMA consents to derogations to the Initial Enforcement Order of 1 February 2017 (the 'Initial Order') as varied on 6 February 2017. The terms defined in the Initial Order have the same meaning in this letter, save that the definition of Microlease in paragraph (b) below does not include its subsidiaries.

Under the Initial Order, save for written consent by the CMA, Electro Rent Corporation, Electro Rent Europe NV (including its UK branch) and Test Equipment Asset Management Limited are required to hold separate the Electro Rent Corporation business from the Test Equipment Asset Management Limited business and the Microlease Inc. 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, Electro Rent Corporation, Electro Rent Europe NV (including its UK branch) and Test Equipment Asset Management Limited may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 4, 5 and 8 of the Initial Order

Given that the subsidiaries of Test Equipment Asset Management Limited set out below do not operate in the UK and given that Microlease Inc. and its subsidiary do not operate in the UK, in order to allow Electro Rent Corporation's integration of certain non-UK businesses of Microlease Inc. and Test Equipment Asset Management Limited, the CMA excludes the following companies from the application of the above paragraphs:

- (a) the following subsidiaries of Test Equipment Asset Management Limited:

- Microlease Sdn Bhd (Malaysia);
- Microlease Taiwan Co Ltd (Taiwan);
- Livingston India Private Ltd (India);
- Livingston Ltd (Singapore)

(b) The company Microlease Inc. (USA) (registered number 210299027) and its subsidiary, Metric Equipment Sales Inc. (USA)

Given that the subsidiaries of Electro Rent Corporation set out below do not operate in the UK, in order to allow Electro Rent Corporation's integration of certain non-UK businesses of Microlease Inc. and Test Equipment Asset Management Limited with those of Electro Rent Corporation, the CMA also excludes the following companies from the application of the above paragraphs:

(c) the following subsidiaries of Electro Rent Corporation:

- Electro Rent Asia, Inc. (USA)
- Electro Rent (Beijing) Test and Measurement Equipment Rental Co Ltd (China)
- Electro Rent LLC (USA)

The CMA grants this derogation on the basis of the information provided to the CMA by Electro Rent Corporation in relation to the interaction between different parts of the businesses across different jurisdictions inside and outside the UK, and that this derogation will not lead to the integration of the Electro Rent Corporation with any UK businesses of Microlease Inc. and Test Equipment Asset Management Limited. This derogation shall not prevent any remedial action that the CMA may need to take regarding the transaction.

For the avoidance of doubt, this derogation does not permit any indirect sharing of information between companies for which derogations have not been granted, in particular between Electro Rent Corporation and the UK businesses of Test Equipment Asset Management Limited, which remains prohibited.