

**Completed acquisition by Element Materials Technology Group  
Limited of Exova Group Plc**

**Consent to certain actions for the purposes of the Initial  
Enforcement Order made by the Competition and Markets Authority  
(CMA) on 29 June 2017**

**Please note that [X] indicates figures or text which have been deleted or replaced in ranges at the request of the parties for reasons of commercial confidentiality**

We refer to your email of 21 June 2017 and further telephone conversations and emails of 26, 27, 28 and 29 June 2017 requesting that the CMA consents to derogations to the Initial Enforcement Order of 29 June 2017 (**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, Element Materials Technology Group Limited (**Element**) is required to hold separate the Element business from the Exova Group Plc (**Exova**) 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, Element may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 5(I) of the Initial Order**

Integration Planning Information

In light of the relatively limited information made available during the due diligence process, and in order to enable Element to carry out planning activities for the integration of the Exova business and Exova back office functions, the CMA consents to the individuals listed at Annex 1 to this letter being able to access certain information relating to the Exova business, such information being more particularly described in Element's submission to the CMA of 26 June 2017. This is expected to last between [X] days from completion.

The CMA consents to the Element employees listed in Annex 1 having access to the following information for the purposes of planning the integration of the Exova Business, including but not limited to planning the integration of back office functions:

- Information required in respect of payroll, HR, IT and accounting functions of Exova which would enable Element to plan for the integration of those systems with Element's own payroll, HR, IT and accounting functions.
- Information would also be required in respect of the Exova business (including for example processes, policies / procedures, current practices, and operating model) which would enable Element to plan for the practical integration of Exova with Element. For the avoidance of doubt, such information would not include information on specific Exova customers or current or proposed future Exova prices to customers and/or any commercial strategy.

The individuals listed in Annex 1 to this letter will enter into a non-disclosure agreement (NDA) in a form approved in advance by the CMA which governs their obligations to keep the relevant information confidential and not circulate that information more widely than is appropriate in the circumstances, and to store the relevant information in such a way that it could be identified and subsequently destroyed if necessary.

This consent does not extend to any integration. No actual integration steps are permitted. The goal is to allow the development of functional integration models.

#### Management Reporting Information

In addition, in order that the directors of Element are able to properly discharge their statutory and other duties as directors of the Element group, and in order that the directors of Element are properly supported in carrying out that role, the CMA consents to the individuals listed at Annex 2 to this letter being able to access certain information relating to the Exova business, such information being more particularly described in Annex 2 to this letter.

The individuals listed in Annex 2 to this letter will enter into an NDA in a form approved in advance by the CMA which governs their obligations to keep the relevant information confidential and not circulate that information more widely than is appropriate in the circumstances, and to store the relevant information in such a way that it could be identified and subsequently destroyed if necessary.

## **2. Paragraph 5(i) of the Initial Order**

Element notified the CMA prior to the event, of the departure of the Chief Executive Officer of Exova, [X], and the Chief Financial Officer of Exova, [X] on completion. In order to fill these important executive posts, the CMA has consented to the appointment of [X] who will temporarily act as Chief Executive Officer and Chief Financial Officer of Exova during the specified period, subject to the conditions contained in the Initial Order and this consent letter.

Yours sincerely

Raúl Nieto

Assistant Director, Mergers

## INTEGRATION PLANNING INFORMATION

### Element employees:

- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]
- [✂]

## MANAGEMENT REPORTING INFORMATION

1. The CMA consents to the Element Management employees listed below having access to the following management information (at an aggregated non-customer level) including at a location by location basis for the purposes of discharging duties as a director of the Group, covering:

- Operational issues (resignations and performance issues that need to be addressed).
- Financial information (at a non-customer level), including covering performance of the locations.
- Any other information that may be reasonably required in order to fulfil fiduciary duties as a director of the Group post-closing.

### Element Management Employees:

- [✂]
- [✂]
- [✂]
- [✂]
- [✂]<sup>1</sup>
- [✂]<sup>2</sup>
- [✂]<sup>3</sup>

2. The CMA consents to the Element Management employees listed below having access to the following management information to support the directors of the Group in discharging their obligations and compiling Board level materials, to support the Group cash and banking positions, insurance coverage and claims, preparation of tax and other statutory reporting required:

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<sup>1</sup> This individual is not employed by Element, but has instead been appointed to the Board as a non-Executive Director.

<sup>2</sup> This individual is not employed by Element, but has instead been appointed to the Board as a non-Executive Director.

<sup>3</sup> This individual is not employed by Element, but has instead been appointed to the Board as a non-Executive Director.

- Aggregate management information including at a location by location level but not below (i.e. not at customer or departmental level), covering financial information and performance of the locations.

Element Management Employees:

- [✂]
- [✂]
- [✂]
- [✂]
- [✂]