

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 11 September 2017

Completed acquisition by European Metal Recycling Limited of CuFe Investments Limited

We refer to your recent emails and related discussions regarding a request by European Metal Recycling Limited (“**EMR**”) that the CMA grant certain derogations to the Initial Enforcement Order served on Ausurus Group Limited and EMR on 11 September 2017 (the Order). Terms defined in the Order have the same meaning in this letter.

Under the Order, save for the written consent of the CMA, Ausurus Group Limited and EMR are required to hold separate the business of EMR (and its subsidiaries and group companies) from the business of CuFe Investments Limited (and its subsidiaries, including Metal and Waste Recycling (“**MWR**”)) (“**CuFe**”) 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 requests for derogations from the Order, based on the information received from you, and in the particular circumstances of this case, EMR and CuFe may carry out the following actions, in relation to the specific paragraphs of the Order listed below:

Paragraphs 4(a) and 5(l) of the Order

The CMA consents to EMR providing back office finance support to CuFe in order to ensure that it continues to be able to perform bank payments to staff and suppliers as well as to perform back office finance, logistical and credit control functions.

Such back office finance support will be provided by [~~✗~~] (accounts payable manager) in respect of overhead payable, scrap payable and haulage payable; and [~~✗~~] (administrator) in respect of sales order processing and sales and logistics management, both of EMR. The designated EMR personnel will be seconded into MWR on a full time basis in order to provide this support. The designated EMR personnel will also provide credit control support on a temporary basis pending the external recruitment by MWR of a payables administrator.

Such support is conditional upon:

- the designated EMR personnel being physically segregated from the EMR finance team, including having their access to EMR systems suspended and being provided with an MWR IT profile;
- the designated EMR staff entering into confidentiality agreements in the format approved by the CMA; and
- should the transaction be prohibited or remedies accepted, any records or copies (electronic or otherwise) of any information which has passed from MWR to EMR, will be returned to MWR (where necessary) or destroyed.

The CMA also consents to designated EMR personnel having access to high level monthly financial information from MWR for the purposes of financial reporting. Such monthly report packs shall be provided by [REDACTED] (MWR) to [REDACTED] (EMR) only.

The CMA also consents to designated EMR personnel acting as a single point of contact for any requests from MWR in respect of cash management. Such contact shall be between [REDACTED] (MWR) or [REDACTED] (MWR) and [REDACTED] (EMR) only.

Such support is conditional upon:

- the designated EMR staff entering into confidentiality agreements in the format approved by the CMA; and
- should the transaction be prohibited or remedies accepted, any records or copies (electronic or otherwise) of any information which has passed from MWR to EMR, will be returned to MWR (where necessary) or destroyed.

These derogations shall not prevent any remedial action that the CMA may need to take regarding the transaction.