

**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 6 July 2018**

**Completed acquisition by Stars Group Holdings (UK) Limited (Stars UK) of Cyan Blue Topco Limited (the Sky Betting & Gaming group)**

We refer to your emails and accompanying further information dated 11 July 2018 and 20 July 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 6 July 2018 (the '**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, Stars and Stars UK are required to hold separate the Sky Betting & Gaming group business from the Stars business and refrain from taking any action which might prejudice a reference under section 22 or 33 of the Act, as the case may be, 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 circumstances of this case, Stars and Stars UK may carry out the following actions, in respect of the specific paragraphs:

**1. Corporate governance policies - Paragraphs 4(a) and 5(l)**

Stars has sought CMA consent to require the Sky Betting & Gaming group to implement certain corporate governance and compliance policies, which include:

[✂ ]

Stars submitted that these policies are necessary to ensure that the Sky Betting & Gaming group complies with the rules and regulations to which it will be subject as a member of the Stars group and to mitigate regulatory risks for the merged group.

The CMA grants this derogation based on the information provided by Stars in relation to these policies, including that these policies are unlikely to involve the transfer of competitively sensitive information.

**2. Responsible gambling / self-exclusion - Paragraphs 5(g) and 5(l)**

Stars has sought CMA consent for Stars and the Sky Betting & Gaming group to share information on self-excluded players and players suspected of being problem

gamblers or involved in money laundering, on all online platforms in the UK, with regular updates to their respective systems to reflect subsequent self-exclusions.

Stars submitted that this information sharing is necessary to ensure that vulnerable customers receive adequate protection across the online gambling platforms provided and operated by Stars and the Sky Betting & Gaming group, and to implement measures to prevent these vulnerable customers from accessing gambling services across the Stars and the Sky Betting & Gaming group online platforms.

The CMA grants this derogation on the condition that the sharing of this information is between designated staff who will enter into NDAs in a format approved by the CMA, and that should the transaction be prohibited or remedies accepted, any records of information which have been exchanged be returned or destroyed.

### **3. Replacement of vendor-appointed directors - Paragraphs 5(i)**

Stars has sought CMA consent for the appointment of two directors to the board of Cyan Blue Topco Limited following the resignation upon completion of the transaction of two vendor-appointed directors.

Stars submitted that this derogation is required to allow Cyan Blue Topco Limited, the holding company of the Sky Betting & Gaming group, to comply with Jersey corporate law requirements and will not affect the competitive independence of the Sky Betting & Gaming group.

The CMA consents to the appointment of [X] and [X] to the board of Cyan Blue Topco Limited, on the basis that they are professional directors who have no links to Stars.

### **4. Reporting to Stars - Paragraphs 5(i) and 5(j)**

Stars has sought CMA consent for Stars to receive a report from the Sky Betting & Gaming group setting out any material information that would reasonably be expected to have a significant effect on the market price or value of any of Stars' securities and any information a reasonable investor would consider important to a decision to buy or sell Stars' securities.

Stars submitted that it is required to disclose the impact on its affairs of any external development that has had, or will have, a direct effect on the business and affairs of the Sky Betting & Gaming group, and that is material and is either: (a) uncharacteristic in terms of the effect generally experienced by other companies engaged in the same business or industry; or (b) a development that holders of Stars' securities would otherwise be unable to be aware of.

The CMA grants this derogation on the conditions that:

- i) the items included in this report are strictly limited to those set out in Annex A;
- ii) where the items included in this report contain any competitively sensitive information pertaining to the Sky Betting & Gaming group, that such information: (a) is only provided on a strictly need to know basis; (b) is only shared in a sufficiently high-level and aggregated form; and (c) includes only the minimum required to meet the disclosure requirement on Stars;
- iii) employees of Stars who will have access to this information will enter into NDAs in a form approved by the CMA; and
- iv) Stars will provide the CMA with all versions of the report on an ongoing basis.

## Annex A

The following items are permitted to be reported by the Sky Betting & Gaming group to Stars:

[✂]