

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 19 April 2018

Completed acquisition by Menzies Aviation (UK) Limited of part of the airline services business of Airline Services Limited

We refer to your letter dated 17 April 2018 and further information set out in your letters dated 30 April 2018 and 15 May 2018, requesting that the CMA consents to derogations to the Initial Enforcement Order of 19 April 2018 (the 'Initial Order') in relation to, amongst other things, HR and Legal. 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, John Menzies plc and Menzies Aviation (UK) Limited are required to hold separate the John Menzies plc business from the AS 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 in relation to HR and Legal, based on the information received from you and in the particular circumstances of this case, John Menzies plc and Menzies Aviation (UK) Limited and the AS Business may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 5(a), 5(c), 5(i), 5(j) and 5(l) of the Initial Order

In order to ensure that the AS Business is maintained as a going concern with the necessary staff, the CMA consents to:

- (a) [☒] (Senior Vice President of HR, EMEAI, Menzies Aviation plc) and [☒] (Head of Employee Relationships, Menzies Aviation plc) receiving a limited amount of HR information regarding pensions, private health insurance and private medical insurance policies, employee relationship issues, recruitment plans, airport identification for new starters and the employees connected with the [☒] contract; and
- (b) [☒] taking on the responsibility for the AS Business' HR requirements, except those relating to payroll, from 1 June 2018.

This is on the basis that:

- (a) [§] and [§] do not and will not have any operational or commercial role in the aviation business of the John Menzies plc business; and
- (b) [§] and [§] will not seek to direct or otherwise influence the HR policy and decision-making of the AS business, including in relation to recruitment strategy and planning.

The CMA grants this derogation on the conditions that:

- (a) [§] and [§] enter into a non-disclosure agreement in a form approved by the CMA;
- (b) [§] and [§] will use the information of the AS Business to which they have access only for the purpose of their HR functions; and
- (c) should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

2. Paragraphs 4(a), 5 (a) and 5(l) of the Initial Order

In order to ensure the continuity and viability of the AS Business and for the purpose of ensuring that the AS Business has access to legal advice, the CMA consents to [§] (Legal Counsel, Menzies Aviation plc) receiving and reviewing information relating to any high level legal issues concerning the AS Business and providing legal advice to the AS Business. This is on the basis that [§] does not have and will not have any operational or commercial role in the day to day aviation business of the John Menzies plc business.

The CMA grants this derogation on the conditions that:

- (a) [§] signs a non-disclosure agreement in a form approved by the CMA;
- (b) [§] will only use the information of the AS Business to which she has access for the purpose of providing legal advice to the AS Business; and
- (c) should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.