

**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 email dated 27 April 2018 and further information set out in your emails dated 25 May 2018, 13 June 2018 and 29 June 2018, requesting that the CMA consents to derogations to the Initial Enforcement Order of 19 April 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, 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 a derogation from the Initial Order 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(e) and 5(h) of the Initial Order**

The CMA understands the transaction was a business sale and therefore the contracts with customers and suppliers which the AS Business serves and leases relating to the AS Business need to be novated to a legal entity. The CMA therefore consents to the AS Business' customer and supplier contracts and leases, to which ASL is a party, being novated to Menzies Aviation (UK) Limited. The CMA grants this derogation provided that:

- (a) The terms of the contracts and leases are the same;
- (b) Customers are being made aware of the Initial Order and that their contract will continue to be served by the AS Business until the CMA's review is concluded, and that this communication is made by the AS Business using the AS Business branding; and

(c) Other parties to leases are being made aware of the Initial Order and that the lease is for the purposes of the AS Business until the CMA's review is concluded, and that this communication is made by the AS Business using the AS Business branding.