

4 October 2018

**Consent under section 72(3C) of the Enterprise Act 2002 (the 'Act')
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 16 August 2018 and two letters of 23 August 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 19 April 2018 (the “**Order**”). The terms defined in the Order have the same meaning in this letter.

Under the 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 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 of the Order listed below:

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

In order to allow for the effective processing of payroll and payment of the AS Business staff and thereby to maintain the viability of the AS Business, the CMA consents to the employees of the AS Business transferring to the Menzies time and attendance system, provided that the time and attendance system details and processing in relation to the AS Business staff remain separate from staff of the John Menzies plc business.

The CMA grants this derogation on the conditions that:

the data in the time and attendance system for employees of the AS Business will only be accessed by the relevant individuals who are currently permitted by previous

consent orders, issued by the CMA pursuant to section 72(2) of the Act in relation to the Order, to receive and review financial data concerning the AS Business for the purposes of providing back office financial and accounting services to the AS Business relating to payroll, namely: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; and [REDACTED] (the "**Named T&A Individuals**");

the Named T&A Individuals will continue to abide by the terms of the non-disclosure agreements entered into by them.

the Named T&A Individuals will use the information of the AS Business to which they have access only for the purpose of their HR and payroll functions; and

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 5(a), 5(c) and 5(l) of the Initial Order

In order to ensure the safety and security of the operations of the AS Business and, by extension, the continuity and viability of the AS Business, the CMA consents to John Menzies plc and Menzies Aviation (UK) Limited monitoring the performance of the AS Business' de-icing crews and ensuring that these crews are adhering to the approved standard operating procedures of the AS Business and applicable laws and regulations in relation to the AS Business.

The CMA grants this derogation on the conditions that:

information relating to the safety and security of operations of the AS Business including records demonstrating completion of vital health & safety checks (such as harnesses and booms); demonstrating the completion of vital training programmes for all relevant employees; that de-icing rigs and equipment are compliant with safety standards; and that de-icing stocks are sufficient and have been checked for contamination will only be accessed by the following individuals: [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; and [REDACTED] (the "**Named Safety & Security Individuals**");

- a) each of the Named Safety & Security Individuals signs an NDA in a form approved by the CMA;
- b) safety and security information of the AS Business (including where necessary, the relevant parts of the AS Business's Standard Operating Procedures) will only be shared with the Named Safety & Security Individuals to the extent strictly necessary in each case, and for the sole purpose of allowing the Named Safety & Security Individuals to carry out a formal audit of the safety and security of the operations of the AS Business;

- 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; and
- d) information relating to the de-icing fluid stocks held by the AS Business will be kept and held separate from any corresponding information relating to the business of Menzies Aviation (UK) Limited.