

ACQUISITION BY GLOBAL RADIO SERVICES LIMITED OF SEMPER VERITAS HOLDINGS S.ÀR.L

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (**CMA**) has reasonable grounds for suspecting that arrangements are in progress or in contemplation which, if carried into effect, will result in Global Radio Services Limited and Semper Veritas Holdings S.àr.l (**Semper Veritas**) ceasing to be distinct (the **Merger**);
- (b) the CMA is considering, pursuant to section 22 of the Act, whether it is or may be the case that a relevant merger situation has been created and whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition in any market or markets in the United Kingdom (**UK**);
- (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Balnom Inc (**Balnom**) and Global Radio Services Limited (**Global Radio**) (**Order**).

Commencement, application and scope

1. This Order commences on the commencement date: being the date of completion of the Merger.
2. This Order applies to Balnom and Global Radio.

3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige Balnom or Global Radio to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

Management of the Balnom and Semper Veritas businesses until determination of proceedings

4. Except with the prior written consent of the CMA, Balnom and Global Radio shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Semper Veritas business with the Balnom business;
 - (b) transfer the ownership or control of the Balnom business or the Semper Veritas business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Semper Veritas business or the Balnom business to compete independently in any of the markets affected by the transaction.
5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, Balnom and Global Radio shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the Semper Veritas business is carried on separately from the Balnom business and the Semper Veritas business' separate sales or brand identity is maintained;
 - (b) the Semper Veritas business and the Balnom business are maintained as a going concern and sufficient resources are made available for the development of the Semper Veritas business and the Balnom business, on the basis of their respective pre-merger business plans;
 - (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Semper Veritas business or the Balnom business;
 - (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved;

- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Semper Vertias business and the Balnom business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Semper Veritas business or the Balnom business are disposed of; and
 - (iii) no interest in the assets of the Semper Veritas business or the Balnom business is created or disposed of;
- (f) there is no integration of the information technology of the Semper Veritas or Balnom businesses, and the software and hardware platforms of the Semper Veritas business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Semper Veritas business will be carried out by the Semper Veritas business alone and for the avoidance of doubt the Balnom business will not negotiate on behalf of the Semper Veritas business (and vice versa) or enter into any joint agreements with the Semper Veritas business (and vice versa);
- (h) all existing contracts of the Semper Veritas business and the Balnom business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Semper Veritas business or Balnom business;
- (j) no key staff are transferred between the Semper Veritas business and the Balnom business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Semper Veritas business and the Balnom business; and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Semper Veritas business (or any of its employees, directors, agents or affiliates) to the Balnom business (or any of its employees, directors, agents or affiliates), or vice versa, except

where strictly necessary in the ordinary course of business (including, for example, where required for compliance with external regulatory and/or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, 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.

Compliance

6. Balnom and Global Radio shall procure that each of their subsidiaries complies with this Order as if the Order had been issued to each of them.
7. Balnom and Global Radio shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Balnom and Global Radio and their subsidiaries with this Order. In particular, on the date two weeks from completion of the Merger and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Balnom and Global Radio or other persons of Balnom and Global Radio as agreed with the CMA shall, on behalf of Balnom and Global Radio, provide a statement to the CMA in the form set out in the Annex to this Order confirming compliance with this Order.
8. At all times, Balnom and Global Radio shall, or shall procure that Semper Veritas shall, actively keep the CMA informed of any material developments relating to the Semper Veritas business or the Balnom business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Semper Veritas business or the Balnom business;
 - (b) any interruption of the Semper Veritas or Balnom business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Semper Veritas or Balnom business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Semper Veritas or Balnom business's contractual arrangements or relationships with key suppliers.

9. If Balnom, Global Radio or Semper Veritas has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and any monitoring trustee that Balnom and/or Global Radio or Semper Veritas may be directed to appoint under paragraph 10.
10. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
11. Balnom and Global Radio shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

12. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
13. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'Balnom' means Balnom Inc, a company registered in the British Virgin Islands with company number 651408;

'the Balnom business' means the business of Balnom and its subsidiaries carried on as at the commencement date;

'business' has the meaning given by section 129(1) and (3) of the Act;

'commencement date' means the completion of the Merger;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 of the Act;

'Global Radio' means Global Radio Services Limited, a private limited company registered in the UK with company number 03296557;

'the Global Radio business' means the business of Global Radio and its subsidiaries but excluding the Semper Veritas business, carried on as at the commencement date;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by Semper Veritas or Balnom/Global Radio and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of Semper Veritas and Balnom/Global Radio;

'Semper Veritas' means Semper Veritas Holdings S.à.r.l, a company registered in Luxembourg with RCS number B179314;

'the Semper Veritas business' means the business of Semper Veritas and its subsidiaries carried on as at the commencement date;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the transaction' means the transaction by which Global Radio and Semper Veritas have ceased to be distinct within the meaning of section 23 of the Act;

'the two businesses' means the Balnom business and the Semper Veritas business;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Signature:

Maria Duarte, Assistant Director, Mergers

Compliance statement for Balnom

I [insert name] confirm on behalf of Balnom that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Balnom has complied with the Order made by the CMA in relation to the transaction on completion of the Merger (the Order).
 - (b) Balnom's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Balnom that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Semper Veritas business with the Balnom business;
 - (ii) transfer the ownership or control of the Balnom business or the Semper Veritas business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Semper Veritas business or the Balnom business to compete independently in any of the markets affected by the transaction.
 - (b) The Semper Veritas business has been carried on separately from the Balnom business and the Semper Veritas business's separate sales or brand identity has been maintained.
 - (c) The Semper Veritas business and the Balnom business have been maintained as a going concern and sufficient resources have been made available for the development of the Semper Veritas business and the Balnom business, on the basis of their respective pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Semper Veritas

business or the Balnom business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Semper Veritas business and the Balnom business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Semper Veritas business and the Balnom business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Semper Veritas business or the Balnom business have been disposed of; and
 - (iii) no interest in the assets of the Semper Veritas business or the Balnom business has been created or disposed of.
- (g) There has been no integration of the information technology of the Semper Veritas or Balnom businesses, and the software and hardware platforms of the Semper Veritas business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Semper Veritas business have been carried out by the Semper Veritas business alone and, for the avoidance of doubt, the Balnom business has not negotiated on behalf of the Semper Veritas business (and vice versa) or entered into any joint agreements with the Semper Veritas business (and vice versa).
- (i) All existing contracts of the Semper Veritas business and the Balnom business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Semper Veritas business or the Balnom business.
- (k) No key staff have been transferred between the Semper Veritas business and the Balnom business.

- (l) All reasonable steps have been taken to encourage all key staff to remain with the Semper Veritas business and the Balnom business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Semper Veritas business (or any of its employees, directors, agents or affiliates) to the Balnom business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:
 - (i) key staff that have left or joined the Semper Veritas business or the Balnom business;
 - (ii) interruptions of the Semper Veritas business or the Balnom business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Semper Veritas business or the Balnom business; or
 - (iv) substantial changes in the Semper Veritas or Balnom business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Balnom and its subsidiaries remain in full compliance with the Order and will, or will procure that Semper Veritas, continue actively to keep the CMA informed of any material developments relating to the Semper Veritas or the Balnom business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in

fines, imprisonment for a term not exceeding two years, or both. (Section 117 of the Enterprise Act 2002.)

6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kindom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF BALNOM

Signature

Name

Title

Date