

**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 1 March 2019**

**Completed acquisition by Bauer Radio of certain assets of the Celador business**

We refer to your email dated 12 March 2019 and your previous note of 7 March 2019 requesting that the CMA consents to derogations to the Initial Enforcement Order of 1 March 2019 (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, Bauer Radio and HBV are required to hold separate the HBV business from the Celador 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, based on the information received from you and in the particular circumstances of this case, HBV and Bauer Radio may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 5(c) and 5(i) of the Initial Order**

The CMA understands that upon completion of the Celador transaction, Bauer Radio appointed three Bauer Radio directors, Paul Keenan, Sarah Vickery and Dee Ford, as Directors to the Celador business. The CMA understands these Directors will not exercise powers on behalf of the Celador business and will delegate their powers to Carol Edwards, the previous CEO of the Celador business.

To ensure the effective operation of the Celador business, the CMA consents to a derogation from paragraphs 5(c) and 5(i) strictly limited to the purpose of allowing Carol Edwards to be appointed as CEO of the Celador business and to manage its responsibilities whilst the CMA's Initial Order is in force.

**2. Paragraphs 5(c) and 5(i) of the Initial Order**

Bauer Radio submitted that, as a result of the transaction, the Celador business does not have a complete management team. Consequently, it proposes appointing Phil Riley as Senior Independent Advisor to the Celador business to provide independent advice and support to the management team of the Celador business,

led by Carol Edwards. Bauer Radio submitted that Phil Riley has significant relevant experience in the commercial radio sector and senior management experience that will be necessary to aid Celador's commercial decision-making.

To ensure the effective operation of the Celador business, the CMA consents to the appointment of Phil Riley for the purpose of offering support to the management of Celador on the understanding that:

- Phil Riley is independent of Bauer Radio and is not, and has not been, an employee of Bauer Radio or HBV;
- Day-to-day management of the Celador business will be performed by its management, with authorisation from Phil Riley only required in exceptional circumstances (ie only for contracts and expenditure exceeding a value of £[~~500k~~]).

### **3. Paragraph 5(l) of the Initial Order**

Bauer Radio requests that Phil Riley is able to escalate certain matters in exceptional circumstances to Peter Brimacombe, Bauer's Business Development Director. Bauer Radio submitted that information shared with Bauer Radio and HBV through Phil Riley will be shared in exceptional circumstances only, including for the authorisation of contracts and expenditure exceeding a value of £[~~500k~~].

The CMA consents to Phil Riley sharing information with Peter Brimacombe in exceptional circumstances for the purpose of ensuring the viability of the Celador business on the condition that:

- The CMA will be copied into any communication on matters escalated by Phil Riley to Peter Brimacombe.
- The commercially-sensitive information which may be exchanged as a result of escalation to Peter Brimacombe will be limited to that which is strictly necessary.
- Peter Brimacombe will sign a non-disclosure agreement, obliging him not to share any commercially sensitive information relating to the Celador Business with any employee of Bauer Radio or HBV, in a form agreed in advance with the CMA.

This derogation should not prevent any remedial action that the CMA may need to take regarding this merger.