

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 Media Audio LP (part of Bauer Media Group) of certain assets of the Wireless business

We refer to your email dated 26 April 2019, as well as 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, Scala Radio (renamed Bauer Media Audio LP (**Bauer Media Audio**) on 11 March 2019) and HBV are required to hold separate the HBV business from the Wireless 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 Media Audio may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(g) and 5(l) of the Initial Order

The CMA understands, on the basis of information provided by Bauer Media Audio, that, as part of the acquisition of certain assets of the Wireless business, Bauer Media Audio purchased the beneficial interests of the leases of properties at Bradford, Chesterfield, Stoke-on-Trent and Wolverhampton. Bauer Media Audio will acquire the legal interest to the leases of these properties once the landlords' consents to each of the lease assignments have been obtained and the transfers have been registered. [✂].

Bauer Media Audio submitted on 26 April that it is necessary for it to liaise with Wireless and the relevant landlords to negotiate the terms of licences to assign the leases. [✂].

On the understanding that novation of the leases to Bauer Media Audio is essential in order to ensure that the Wireless business continues to have the use of the properties to which the leases relate, the CMA consents to the following:

1. A derogation from paragraphs 5(g) and 5(l) of the Initial Order to permit Bauer Media Audio to negotiate and conclude the assignment or novation to Bauer Media Audio of leases on the properties at Bradford, Chesterfield, Stoke-on-Trent and Wolverhampton, and to engage with the acquired Wireless business, the wider Wireless business, and/or the relevant landlords for this purpose.
2. A derogation from paragraphs 5(e)(iii), 5(g) and 5(l) to permit [X].

The CMA consents to these derogations on the understanding that:

- Only Peter Brimacombe (Business Development Director at Bauer Radio), Richard Jackson (Finance Director at Bauer Radio) and Sue Tattum (Financial Controller at Bauer Radio) will receive information that is confidential to Wireless. [X].
- The information shared with these three individuals will be limited to the purpose of negotiating and concluding the transfers of leases [X].
- Each of these three Bauer Radio employees will sign NDAs approved by the CMA including appropriate safeguards on the use, treatment and storage of confidential financial information.

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