

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 (the 'Transaction')

We refer to your email dated 31 May 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(e), 5(g), 5(h), and 5(l) of the Initial Order

The CMA understands, on the basis of information provided by Bauer Radio, that, prior to the Transaction, [REDACTED] Celador employees were entitled to a range of benefits, including [REDACTED]. Prior to the imposition of the Initial Order, it was intended that [REDACTED: *certain employee benefits*] would be novated [REDACTED]. However, these steps were not implemented given the imposition of the Initial Order. The Initial Order also prohibits Bauer Radio from [REDACTED].

To ensure that employees of the acquired Celador business continue to be entitled to the above benefits from Celador, the CMA consents to two derogations from paragraphs 5(e), 5(g), 5(h), and 5(l) of the Initial Order:

1. A derogation to permit Bauer Radio and the acquired Celador business to negotiate and complete the novation [REDACTED: *of employee benefits*], and for Bauer Radio and the acquired Celador business to engage with Celador and any relevant contract counterparty, and to take any steps necessary for this purpose.

2. A derogation to permit the acquired Celador business to negotiate and enter into [X] to provide employment benefits [X] which are to be novated, and for Bauer Radio and the acquired Celador business to engage with Celador and any relevant contract counterparty, and to take any steps necessary for this purpose.

Ms Rachel Moore, HR Systems Manager for Bauer Media Group (the parent company of Bauer Radio), will support the acquired Celador business with its engagement with Celador, and to take such steps as are required to achieve the novation of [X].

The CMA consents to the above derogations on the understanding that Information received by Ms Moore for the above purpose will not be circulated more widely within Bauer Media Group. Accordingly, Ms Moore will sign a non-disclosure agreement approved by the CMA that will govern the use and treatment of information relating to employee benefits received for this purpose.

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

Yours sincerely,

Lucy Pryde
Assistant Director, Mergers
5 June 2019