

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002  
COMPLETED ACQUISITION**

**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 17 May 2019**

**Completed acquisition by JD Sports Fashion plc of Footasylum plc (the Merger)**

We refer to your emails of 16 and 17 May and 11, 24 and 27 June 2019 and related discussions regarding a request by JD Sports that the CMA grant certain derogations to the Initial Enforcement Order served on JD Sports Fashion plc (**JD Sports**) and Pentland Group plc (**Pentland**) on 17 May 2019 (the '**Initial Order**'). Terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for the written consent by the CMA, Pentland and JD Sports are required to hold separate the Footasylum business from the Pentland and JD Sports businesses 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, JD Sports may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraph 6(I) of the Initial Order**

**Scope of derogation and reasons**

In order to ensure that JD Sports can maintain a level of financial oversight of Footasylum and for the JD Sports Board (Board) to comply with relevant corporate and fiduciary duties, the CMA consents to the Board receiving certain

aggregated financial information relating to Footasylum's financial and operational performance.

This information will be compiled by members of the JD Designated Clean Team (as defined in the fourth derogation related to this case and published in the CMA's website on 28 June 2019) and then circulated within JD Sports' monthly finance or board reports to the Board.

### **Safeguard measures**

The derogation granted above is subject to the implementation of the following safeguard measures:

- a) Information under this derogation will only be provided to the Board, namely:
  - i. Peter Cowgill (Executive Chairman)
  - ii. Neil Greenhalgh (Chief Financial Officer)
  - iii. Martin Davies (Non-executive director)
  - iv. Andrew Leslie (Non- executive director)
  - v. Heather Jackson (Non- executive director)
  - vi. Andy Rubin (Non- executive director); and
  - vii. Kath Smith (Non- executive director).
- b) The information will only be provided once Footasylum has received appropriate signed written undertakings (in a form approved in advance by the CMA) to preserve the confidentiality of the information and to use the information only for the purposes specified in this letter.
- c) In particular, the Board will undertake not to discuss or otherwise share Footasylum information with any unauthorised individuals or use the information for any purpose other than that specified above, other than with investors and analysts where necessary;
- d) The information will only be provided in a format approved in advance by the CMA;
- e) Firewalls will be put in place to prevent any unauthorised individuals from accessing the information; and
- f) In the event that the transaction is prohibited or remedies accepted, any records or copies (electronic or otherwise) of such information that have

passed, wherever they may be held, will be returned to the Footasylum business to which they relate and/or any copies destroyed.

**Alexandra Zachmann**  
**Assistant Legal Director, Mergers**  
**28 June 2019**