

## THE ORDER

### **DEROGATION LETTER IN RESPECT OF INTERIM ORDER ISSUED PURSUANT TO SECTION 81 ENTERPRISE ACT 2002 COMPLETED ACQUISITION**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

**Consent under section 81 of the Enterprise Act 2002 to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority ('CMA') on 26 November 2019**

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

We refer to your email of 10 February 2020 requesting that the CMA consents to derogations from the Interim Order of 26 November 2019 (which replaces the Initial Enforcement Order of 17 May 2019). The terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for written consent by the CMA, Pentland Group Limited (**Jersey**) and Pentland Group Limited (together **Pentland**) and JD Sports Fashion plc (**JD Sports**) are required to hold separate the Footasylum Limited (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 requests for derogations from the Interim Order, based on the information received from you and in the particular circumstances of this case, Pentland may carry out the following actions, in respect of the specified paragraphs of the Interim Order listed below.

#### **Paragraphs 5(i) and 5(k) of the Interim Order**

The CMA understands that Pentland is in discussion with [X] and therefore may be regarded as 'Key Staff' [X]. The CMA understands that due to [X]. The CMA also understands that [X] does not have any involvement in the trading/control of the brands that sell into JD Sports or Footasylum, and [X] does not have any impact on the Merger under investigation.

On this basis, the CMA consents to a derogation from paragraphs 5(i) and 5(k) as regards [X]. For the avoidance of doubt, this derogation does not apply to the JD Sports business or the Footasylum business and does not, under any circumstances, permit Pentland from taking any other action prohibited under the Interim Order.

**Paragraphs 5(c), (d), (e), (h), (i), (k) and paragraph 10 of the Interim Order**

The CMA understands that newly incorporated entities, [X], are managed and operated separately from the rest of the Pentland business and that these subsidiaries do not have any activities that affect the UK.

On the basis that they are not active in the UK, the CMA consents to adding [X] to the definition of 'the Pentland International Business' and thereby exempting them from paragraphs 5(c), (d), (e), (h), (i), (k) and from paragraph 10 of the Interim Order, such that [X] can continue to operate in the ordinary course of business.