

Dear Daniel,

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 12 March 2019

Completed acquisition by Bauer Radio of UKRD

We refer to your emails dated 2 October 2019 and 8 November 2019, requesting that the CMA consents to derogations to the Initial Enforcement Order of 12 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 UKRD 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. Paragraph 6(c), 6(i) and 6(k) of the Initial Order

Bauer Radio submitted on 2 October 2019 that Andy Preece and James Wenger, together comprising UKRD's senior management team, had informed it of their proposal to commence [REDACTED: *proceedings to effect a change of management*] [REDACTED]. In this context, the UKRD senior management team developed the view that the interests of [REDACTED] would be best served by [REDACTED: *a change of management*] [REDACTED]. Phil Riley, having considered this proposal, supported it.

On 11 October 2019, the CMA consented in writing to a derogation permitting the UKRD senior management team to commence [REDACTED: *proceedings to effect a change of management*] [REDACTED]. The CMA consented to this derogation on the understanding that:

- The continuation of [REDACTED], and that granting this derogation is therefore consistent with the positive obligation in paragraph 6(b) of the Initial Order to maintain UKRD as a going concern.

- The decision to initiate [REDACTED: *proceedings to effect a change of management*] was taken by UKRD senior management and will be managed by UKRD senior management staff.
- Bauer Radio would request an additional derogation before any action was taken.

On 8 November 2019, Bauer Radio submitted that [REDACTED: *proceedings to effect a change of management*] which commenced following the CMA's consent to the above derogation had resulted in agreement in principle on an appropriate [REDACTED].

As of the date of this letter, the CMA consents to a derogation to permit the UKRD senior management team to finalise [REDACTED: *proceedings to effect a change of management*] [REDACTED].

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

Yours sincerely,

Douglas Cooper
Project Director, Mergers
14 November 2019