

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

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

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 7 February 2020.

Anticipated acquisition by PUG LLC of StubHub, Inc., StubHub (UK) Limited, StubHub Europe S.à.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co., Ltd., StubHub GmbH, and Todoentradas, S.L.

We refer to your submissions of 11 and 12 February 2020 requesting that the CMA consent to derogations from the Initial Enforcement Order of 7 February 2020 (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, Pugnacious Endeavors, Inc., ("**viagogo**") PUG LLC ("**PUG**") and eBay Inc. ("**eBay**") are required to hold separate the viagogo business from the StubHub business and refrain from taking any action which might prejudice a reference under section 22 or 33 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, viagogo, PUG and eBay may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 7(c), 7(i) and 7(k) of the Initial Order – changes to StubHub Directors and Officers

The CMA understands that, on completion of the acquisition by PUG of the StubHub business (the **Merger**), changes will be made to the Directors and Officers of StubHub Inc. and certain of its subsidiaries (StubHub India Private Limited, Ticket Utils India Private Limited and Premium Vibe Pty Ltda (Australia)). viagogo is requesting the CMA's consent for these changes to be made on completion.

The CMA consents to a derogation from paragraphs 7(c), 7(i) and 7(k) of the Initial Order for:

- (a) the following employees of eBay to resign from their respective positions on completion:
 - (i) as Officer of StubHub Inc.: (i) [REDACTED] (Officer, [REDACTED]) and (ii) [REDACTED] (Officer, [REDACTED]); and
 - (ii) [REDACTED] (Director) to resign from his position as Director on the Premium Vibe Pty Ltda (Australia) board.
- (b) the following Directors of StubHub to resign from their respective positions on completion:
 - (i) as Director of StubHub India Private Limited: (i) [REDACTED] (Director) and (ii) [REDACTED] (Director); and
 - (ii) as Director of Ticket Utils India Private Limited: (i) [REDACTED] (Director) and (ii) [REDACTED] (Director).

StubHub submits that these individuals do not provide any managerial or strategic support to the StubHub executive leadership team. In respect of Ticket Utils India Private Limited and StubHub India Private Limited, StubHub submits that the individuals resigning from their positions are all part of [REDACTED].

(c) The following appointments:

- (i) *[two members of the StubHub senior leadership team]* to replace each of [REDACTED] and [REDACTED] in their respective roles as Secretary and Treasurer of StubHub Inc.;
- (ii) *[an external adviser]* to replace [REDACTED] as Director on the Premium Vibe Pty Ltda (Australia) board; and
- (iii) *[two external advisers]* to replace (i) [REDACTED] and (ii) [REDACTED] as Directors of Ticket Utils India Private Limited, and (i) [REDACTED], and (ii) [REDACTED] as Directors of StubHub India Private Limited, and (i) [REDACTED], and (ii) [REDACTED] as Directors of Ticket Utils India Private Limited. The CMA understands that *[the two external advisers are an independent law firm and consultancy firm]*.

The CMA's consent is provided strictly on the basis that the proposed changes will not impact the viability of the StubHub business post-completion.

2. Paragraphs 6(a), 7(a) and 7(g) and 7(h) of the Initial Order – amendments to StubHub [X] arrangements

viagogo submits that, in accordance with the Stock Purchase Agreement entered into between eBay, eBay International A.G, PUG and viagogo (the "SPA"), viagogo submits that, in accordance with the Stock Purchase Agreement entered into between eBay, eBay International A.G, PUG and viagogo (the "SPA"), viagogo is required to use commercially reasonable efforts to cooperate to obtain consents, approvals, amendments or waivers of third parties that are required in connection with the Merger. In furtherance of this obligation, [X]. Additionally, [X]. By way of amendment [X].

The CMA consents to a derogation from paragraphs 6(a), 7(a), 7(g) and 7(h) of the Initial Order for:

- (i) [a senior member of viagogo] to discuss with [a senior member of StubHub] and the relevant third parties, the mechanism [X], and to implement such arrangements; and
- (ii) StubHub to amend [X].

This derogation is granted strictly on the basis that:

- (i) Only [X] (who does not hold a commercial or strategic role within the viagogo business) will conduct these discussions with StubHub and the relevant third parties;
- (ii) No confidential or commercially-sensitive will be exchanged between viagogo and StubHub for the purposes of this derogation; and
- (iii) No other changes to the [X] which amount to pre-emptive action will take place without seeking a derogation from the CMA.

3. Paragraphs 7(a), 7(g) and 7(h) of the Initial Order – [X] in respect of [X] agreement

viagogo submits that, in accordance with the SPA, viagogo is required to use commercially reasonable efforts to cooperate to obtain consents, approvals, amendments or waivers of third parties that are required in connection with the Merger.

In furtherance of this obligation, viagogo is required [X] (the "Agreement") on completion. This requirement is required by [X]. viagogo submits that this derogation is necessary [X].

The CMA consents to a derogation from paragraphs 7(a), 7(g) and 7(h) of the Initial Order for:

- (a) [a senior member of viagogo] to discuss with [a senior member of StubHub] and the relevant third parties, the mechanism for [X];

- (b) [a senior member of viagogo] (with the assistance of [a senior member of StubHub]) to implement such arrangements; and
- (c) [a senior member of StubHub] is permitted to notify [a senior member of viagogo] [X].

This derogation is granted strictly on the basis that:

- (i) Only [X] (who does not hold a commercial or strategic role within the viagogo business) will conduct these discussions with StubHub and the relevant third parties;
- (ii) [X] may receive confidential (but not commercially-sensitive) information only in the event of [X];
- (iii) [X] will enter into a confidentiality undertaking in a form approved by the CMA;
- (iv) Firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within viagogo from accessing the information shared with [X] for the purposes of this derogation; and
- (v) No other changes will be made to the Agreement except for [X].

4. Paragraphs 6(a) and 7(a) and 7(l) of the Initial Order – group health arrangements and Human Resources support

The CMA understands that prior to completion, StubHub relied on certain eBay Human Resources ('HR') support and that following completion, certain arrangements with eBay will cease.

In order to ensure continuity for employees of the StubHub business, viagogo is requesting CMA consent to: (i) include the StubHub business within viagogo's own group health arrangements; and (ii) provide limited HR support to the StubHub business following completion. Such support is limited to:

- (a) Providing StubHub HR and payroll functions with compensation details in respect of Offer Employees (in accordance with viagogo's obligations at clause 6 of the SPA);
- (b) Offering employment to Long-Term Disability StubHub employees who present themselves for active employment (in accordance with viagogo's obligations at clause 6 of the SPA);
- (c) Cooperating with eBay to facilitate payment of amounts due to any Transferred Business Employee (in accordance with viagogo's obligations at clause 6 of the SPA);
- (d) Supporting visa, green card or similar applications in respect of StubHub employees which includes ensuring that non-US StubHub employees working

within the US are covered by viagogo's corporate sponsorship arrangements;
and

- (e) Providing StubHub employees with access to viagogo's group health arrangements including group disability benefits.

viagogo submits that this derogation is necessary to ensure continuity for StubHub employees.

The CMA consents to a derogation from paragraphs 6(a) and 7(a) and 7(l) of the Initial Order for viagogo to include the StubHub business within viagogo's group health arrangements and to provide the limited HR support listed in paragraphs (a) to (e) above following completion, strictly on the basis that:

- (i) Confidential StubHub information will only be provided to [*a senior member of viagogo*] who does not hold a commercial or strategic role within the viagogo business;
- (ii) Confidential StubHub information provided to [X] will be limited to that which is strictly necessary for the purposes of the derogation and may include personal employee data. For the avoidance of doubt, no commercially-sensitive information will be exchanged between viagogo and StubHub;
- (iii) [X] will enter into a confidentiality undertaking in a form approved by the CMA;
and
- (iv) Firewalls and/or ring-fencing measures will be put in place to prevent individuals other than [X] from accessing any confidential StubHub information disclosed to viagogo for the purposes of the derogation.

5. Paragraphs 6(a), 7(a) and 7(g) of the Initial Order – access to viagogo insurance arrangements

The CMA understands that prior to completion, StubHub relied on eBay's group insurance arrangements.

Following completion, these arrangements with eBay will cease. In order to maintain the ongoing operation and viability of the StubHub business, viagogo is requesting CMA consent to include the StubHub business within viagogo's group insurance policies ([X]) following completion.

The CMA consents to a derogation from paragraphs 6(a), 7(a) and 7(g) of the Initial Order for the StubHub business to be included within viagogo's group insurance policies ([X]) following completion, strictly on the basis that:

- (i) such actions are necessary to ensure the effective maintenance of StubHub as a going concern;
- (ii) no confidential or commercially-sensitive StubHub information will be provided to viagogo and StubHub will liaise directly with the independent insurance companies providing these viagogo group insurance policies;
- (iii) the inclusion of the StubHub business within these viagogo group insurance policies will not be difficult or costly to reverse and will not prevent any remedial action that the CMA may need to take regarding the Merger; and
- (iv) the inclusion of the StubHub business in these viagogo group insurance policies will have no influence upon the commercial direction of the StubHub business during the term of the Initial Order.

No changes to the viagogo personnel covered by the derogations in this consent letter are permitted without prior written consent from the CMA (including via email).

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

12 February 2020