

**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 10 February 2020

Completed acquisition by TVS Europe Distribution Limited of 3G Truck & Trailer Parts Ltd

We refer to your email dated 27 February 2020 requesting that the CMA consents to derogations to the Initial Enforcement Order of 10 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, TVS Automobile Solutions Private Limited (**TVS ASPL**), TVS Europe Distribution Limited (**TVS EDL**) and Universal Components UK Limited (**Universal Components**) are required to hold separate the 3G business from the TVS ASPL 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, TVS ASPL, TVS EDL, Universal Components, and 3G Truck & Trailer Parts Ltd (**3G**) may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order

The CMA understands that shortly following completion of the acquisition of 3G by TVS EDL, the existing directors of 3G resigned and were replaced by David Kernahan (CEO, Universal Components) and Paul Roberts (Director, Universal Components).

In order to ensure the independent operation of the 3G business and to ensure its ongoing compliance with UK company law, Universal Components requests CMA consent for:

- (i) David Kernahan and Paul Roberts to resign as directors of 3G; and

(ii) Richard Ash (UK and Ireland Sales Director, 3G), Stewart Ashall (Purchasing Director, 3G) and John Carr (Export Director, 3G) to be reappointed as directors of 3G.

On the basis of their former role as directors of 3G, Universal Components submits that Richard Ash, Stewart Ashall and John Carr are appropriate candidates to serve as directors of 3G and following their reappointment as directors, will have all required powers and authority to take all necessary action in respect of the continued operation of the 3G business.

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order in order to enable: (i) the resignation of David Kernahan and Paul Roberts as directors of 3G and, (ii) the reappointment of Richard Ash, Stewart Ashall and John Carr as directors of 3G.

Yours sincerely,

Alex Knight
Assistant Director
27 February 2020