

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

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 2 April 2020

Completed acquisition by ION Trading Technologies Limited of a controlling stake in Broadway Technology Holdings LLC

Dear Satyen,

We refer to your submissions dated 20 and 24 May 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 2 April 2020 (the **Initial Order**). Unless otherwise stated, 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, ION Investment Group Limited (**ION**) and ION Trading Technologies Limited (**ION Trading**), (together, **ION**) are required to hold separate the ION business from the business of Broadway Technology Holdings LLC (**Broadway**) 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 a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to ION carrying out the following actions in respect of the specific paragraphs:

Paragraph 5(l) of the Initial Order

ION submits that it is required to provide its lenders with monthly financial information on the entities forming part of ION Markets Investment Group Limited and its affiliates as set out in Annex 1 (**ION Markets**), including Broadway, in accordance with the ION Markets Credit Agreement (**Credit Agreement**) (the **Permitted Purpose**).

As a result, ION requires regular financial and liquidity reporting from Broadway for the Permitted Purpose that comprises the following information:

- a) [X];
- b) [X]; and
- c) [X].

(together, **Specified Information**).

1. In order to comply with its reporting obligations under the Credit Agreement, ION therefore requests a derogation from paragraph 5(l) of the IEO to receive the Specified Information. The CMA consents to a derogation from paragraph 5(l) of the IEO for ION to receive the Specified Information, strictly on the basis that:
 - (i) The Specified Information (as set out in Annexes 2, 3 and 4) is limited to that which is strictly necessary for the Permitted Purpose;
 - (ii) The Specified Information will not contain any Broadway customer names;
 - (iii) For the avoidance of doubt, no management commentary will be provided to ION with the Specified Information;
 - (iv) The Specified Information will be provided to the following individuals for the purpose of enabling ION to comply with its reporting obligations to its lenders: [X] (together the **Specified Information Recipients**).
 - (v) The Specified Information Recipients do not have any control or influence over ION's commercial strategy or decision-making, either directly or in an advisory function, and they do not hold roles which are client-facing;
 - (vi) Each of the Specified Information Recipients will sign a non-disclosure agreement (NDA) in the form approved by the CMA providing that the Specified Information will not be shared with any other ION employees (other than another Specified Information Recipient who has signed an NDA in the form approved by the CMA);
 - (vii) No further changes to the Specified Information Recipients covered by this derogation are permitted without written consent from the CMA (including via email);
 - (viii) The Specified Information Recipients will ensure that the Specified Information is stored within a secure environment and protected by robust physical and IT firewalls to prevent unauthorised ION individuals from accessing the Specified Information;

- (ix) ION and Broadway will keep a record of all Specified Information shared in accordance with this derogation, such record to be made available to the CMA on request;
- (x) If the Specified Information Recipients require additional information from Broadway for the Permitted Purpose that is not contained in the Specified Information, the Specified Recipients can request such information from Broadway subject to full oversight of the monitoring trustee whom the CMA directed ION to appoint on 17 April 2020 (the **Monitoring Trustee**). The Monitoring Trustee will be informed in advance of any additional information to be shared and where discussions take place under this derogation, the Monitoring Trustee will have the opportunity to attend such discussions, including by phone (at its request), will be copied in all electronic communications between Broadway and ION in relation to the derogation, and will monitor compliance with the conditions of this derogation; and
- (xi) Should the CMA require ION to divest all or part of the Broadway business, ION will ensure all information received from Broadway for the purposes of this derogation will be returned or destroyed, except to the extent that record retention is required by law or regulation.

This derogation should not prevent any remedial action that the CMA may need to take regarding this merger.

Yours sincerely,

Alex Knight

Assistant Director, Remedies Business and Financial Analysis

9 June 2020

Annex 1: ION Markets affiliates

Annex 2 – [✂]

Annex 3 – [✂]

Annex 4 – [✂]