

THE ORDER

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

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 5 June 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(c), 5(i) and 5(k) of the Interim Order

The CMA understands that as a result of the impact of the COVID-19 pandemic, Pentland intends to take certain actions [REDACTED].

On this basis, the CMA grants a derogation under paragraphs 5(c), 5(i) and 5(k) to permit Pentland to [REDACTED], subject to the following conditions that:

a) [REDACTED];

b) [REDACTED];

- c) [X] does not relate to the integration of the JD Sports business and Footasylum business into any Pentland business and also does not carry the risk of pre-emptive action;
- d) this derogation only applies to Pentland and the Pentland business, and for the avoidance of doubt, does not apply to JD Sports, the JD Sports business, Footasylum of the Footasylum business (as defined in the Interim Order);
- e) for the avoidance of doubt, this derogation does not permit Pentland to sell its equity stake in JD Sports (either in whole or in part); and
- f) Pentland should maintain its Relationship Agreement (dated 30 October 2014) with JD Sports.

Paragraph 10(a) of the Interim Order

The CMA also understands that Pentland is requesting certain changes to its reporting obligations under paragraph 10(a) of the Interim Order to ensure that Pentland [X].

The CMA grants a derogation amending Pentland's obligations under paragraph 10(a) of the Interim Order such that [X], Pentland is permitted to limit the scope of its reporting obligations under paragraph 10(a) of the Interim Order only to material developments relating to the JD Sports business and the Footasylum business.