

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

Please note that [X] indicates figures or text which have been deleted 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.

Completed 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. (together 'StubHub').

We refer to your submissions of 12, 15 and 19 May 2020 requesting that the CMA consent to a derogation 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**") and PUG LLC ("**PUG**") 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 StubHub may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 7(b), 7(c), 7(e), 7(i) and 7(k) of the Initial Order – Changes to the organisational structure of the StubHub business**

StubHub submits that the extraordinary circumstances of the Coronavirus (COVID-19) outbreak is [X] impacting the live events industry and its business [X].

As a result, StubHub is requesting the CMA's consent in order to implement certain changes to the organisational structure of StubHub's business within the [X]. StubHub's restructuring plan for the [X] (the "**Restructuring Plan**") forms part of a series of [X] measures that StubHub intends to implement (subject to CMA consent) in response to the Coronavirus (COVID-19) pandemic. StubHub submits that these measures are strictly necessary and are intended to render StubHub [X] with a view

to [REDACTED].

StubHub requests a derogation from the Initial Order to proceed with its Restructuring Plan [REDACTED] and specifically to: (i) [REDACTED] and (ii) [REDACTED]: (i) [REDACTED]; (ii) [REDACTED]; (iii) [REDACTED] and (iv) [REDACTED]; and (v) [REDACTED].

StubHub submits that this derogation does not seek to integrate the StubHub and viagogo business nor to enable viagogo to control the StubHub business, but merely to enable StubHub to implement certain changes to the organisational structure and [REDACTED]. Further, StubHub explains that [REDACTED] in accordance with the [REDACTED] can be easily [REDACTED] in a period of between [REDACTED].

1. The CMA consents to a derogation from paragraphs 7(b), 7(c), 7(e), 7(i) and 7(k) of the Initial Order for StubHub to implement its Restructuring Plan against the background of the economic conditions created by the COVID-19 pandemic, and specifically to:

(a) make the following [REDACTED] (in line with Annex 1):

- (i) [REDACTED];
- (ii) [REDACTED];
- (iii) [REDACTED];
- (iv) [REDACTED];
- (v) [REDACTED];
- (vi) [REDACTED];
- (vii) [REDACTED]; and
- (viii) [REDACTED].

(b) implement the following changes within StubHub's organisation:

- (i) [REDACTED];
- (ii) [REDACTED];
- (iii) [REDACTED]; and
- (iv) [REDACTED].

(c) [REDACTED] the following StubHub [REDACTED]:

- (i) [REDACTED]: (i) [REDACTED]; (ii) [REDACTED]; (iii) [REDACTED]; and (iv) [REDACTED]; and
- (ii) [REDACTED] (together "**the StubHub** [REDACTED]").

2. This derogation from paragraphs 7(b), 7(c), 7(e), 7(i) and 7(k) of the Initial Order is granted strictly on the basis that:

(a) implementation of the Restructuring Plan:

- (i) will have no impact on any remedial action that the CMA may need to take regarding the completed acquisition by PUG of StubHub;
- (ii) is strictly necessary to [REDACTED] of the StubHub business with a view to ensuring its ongoing viability and competitive capability;
- (iii) will not amount to any integration of the StubHub and the viagogo

businesses;

- (iii) will not result in any [X] to the StubHub business or otherwise [X], and StubHub will ensure the smooth operation of the business;
- (b) for the avoidance of doubt, no customer and supplier contracts or any assets (including, all IT systems, all tangible and intangible assets) will be impacted as part of these organisational changes, other than the [X] of the StubHub [X] noted above;
- (c) With respect to the StubHub [X]:
  - (i) StubHub will first seek to enter into [X] as a preference to [X] of the StubHub [X] with a view to [X] the StubHub [X] if deemed necessary by the CMA;
  - (iii) if the StubHub [X] are [X], StubHub will be able to [X]: (i) [X]; (ii) [X]; (iii) [X]; (iv) [X]; and (v) [X].
- (d) the Monitoring Trustee will be informed in advance of any measure to be implemented;
- (e) No changes to the actions proposed by StubHub at paragraphs 1(a), 1(b) and 1(c) are permitted without prior written consent of the CMA (including via email);
- (f) The changes to the StubHub organisation set out at paragraph 1(b) above will not result in [X] other than as already set out at paragraph 1(a) above and will not result in [X] other than those communicated to the CMA in Annex 1 and outlined in submissions to the CMA in relation to this derogation;
- (g) StubHub must comply with its obligations under the Initial Order, including with respect to any course of action to [X]. For the avoidance, no other [X] measures will be implemented by StubHub without seeking a derogation from the CMA; and
- (h) for the avoidance of doubt, no other action will be taken by StubHub which might prejudice a reference under section 22 of the Act or impede the taking by the CMA of any action which might be justified by the CMA's decision on that reference without seeking a derogation from the CMA.

Your sincerely,

Alex Knight  
Assistant Director, Remedies, Business and Financial Analysis  
22 May 2020

## **Annex 1 – Overview of organisational changes**

[As attached as Annex 1 to 15 May submission]