

**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, 19, 20, 26 and 27 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(c), 7(i) and 7(k) of the Initial Order – resignation and interim replacement of StubHub's President

StubHub submits that [X] President of StubHub has resigned from [X] role within the StubHub business and plans to leave the StubHub business shortly. The CMA understands that [X] is considered to be key staff within the meaning of the Initial Order.

StubHub proposes that, following the departure of [X], General Manager of North America, StubHub, will fulfil [X] role as President of StubHub on an interim basis and

will take over [X] responsibilities as soon as [X] departs from StubHub pursuant to the terms of this derogation.

StubHub submits that this derogation will not lead to any integration of the StubHub and viagogo businesses and that it will have no impact on any remedial action contrary to paragraph 6 of the Initial Order.

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

- (i) [X], President of StubHub to resign from [X] position; and
- (ii) [X], General Manager of North America, StubHub to take on the responsibility of [X] role as President of StubHub on an interim basis.

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

- (i) [X] responsibilities are distributed exclusively to [X], General Manager of North America, StubHub, who has the necessary capacity and experience to effectively fulfil [X] role. Hence, the departure and proposed handover of [X] responsibilities will not impact the viability or operation of the StubHub business;
- (ii) [X] will ensure a smooth handover of [X] responsibilities to [X], subject to oversight by the monitoring trustee appointed by viagogo and PUG following the issuance by the CMA of directions on 30 March 2020 pursuant to paragraph 13 of the Initial Order (the **MT**);
- (iii) for the avoidance of doubt, none of [X] responsibilities will be redistributed to any viagogo personnel;
- (iv) [X] will run the StubHub business independently of viagogo, subject to any derogations granted by the CMA;
- (v) [X] will operate under a contract with the StubHub business which will run at least until [X];
- (vi) no co-ordination of departure of key staff between viagogo and StubHub is permitted; and
- (vii) this derogation will not lead to any integration of the StubHub and viagogo businesses and it will have no impact on any reference under section 22 of the Act or any remedial action that the CMA may need to take regarding the merger.

2. Paragraphs 7(c) and 7(i) of the Initial Order – replacement of StubHub's General Manager of North America

StubHub submits that [X], General Manager of North America, StubHub, intends to resign from [X] current role within the StubHub business in order to take up the role of Interim President of StubHub in accordance with derogation (1) above. StubHub

proposes that [X], StubHub, will fulfil [X] role as the General Manager of North America, StubHub. StubHub further submits that because the [X] has been restructured so that [X] is required in respect of [X] role as [X] at StubHub.

StubHub proposes that [X] will be appointed as General Manager of North America of StubHub and take over [X] responsibilities as soon as [X] resigns from [X] role as General Manager of North America and assumes the role of Interim President of StubHub pursuant to the terms of derogation (1) above. StubHub further submits that because the [X] has been restructured so that [X] is required in respect of [X] role as [X] at StubHub.

StubHub submits that this derogation will not lead to any integration of the StubHub and viagogo businesses and that it will have no impact on any remedial action contrary to paragraph 6 of the Initial Order.

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

- (i) [X], General Manager of North America, StubHub to resign from [X] position; and
- (ii) [X], StubHub to take on the responsibility of [X] role as General Manager of North America.

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

- (i) [X] responsibilities are distributed exclusively to [X], StubHub, who has the necessary capacity and experience to effectively fulfil [X] role. Hence, the proposed handover of [X] responsibilities will not impact the viability or operation of the StubHub business;
- (ii) [X] will ensure a smooth handover of [X] responsibilities to [X], subject to oversight by the MT;
- (iii) for the avoidance of doubt, none of [X] responsibilities will be redistributed to any viagogo personnel;
- (iv) [X] will report exclusively to StubHub, subject to any derogations granted by the CMA;
- (v) [X] will continue to operate under a contract with the StubHub business.
- (vi) no co-ordination of departure of key staff between viagogo and StubHub is permitted; and

(vii) this derogation will not lead to any integration of the StubHub and viagogo businesses and it will have no impact on any reference under section 22 of the Act or any remedial action that the CMA may need to take regarding the merger.

3. Paragraphs 7(c), 7(i) and 7(k) of the Initial Order – [REDACTED] and [REDACTED] of StubHub's [REDACTED] team members

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

As a result, StubHub is requesting the CMA's consent in order to implement certain changes to the organisational structure and management responsibilities of StubHub's business as part of a series of [REDACTED] 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 aim to [REDACTED] with a view to ensuring its ongoing viability.

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 management responsibilities within StubHub in line with its proposed [REDACTED]. Further, StubHub submits that the proposed changes will have no impact on any remedial action contrary to paragraph 6 of the Initial Order.

StubHub submits that the following [REDACTED]:

- (a) [REDACTED], who currently [REDACTED];
- (b) [REDACTED], who currently [REDACTED];
- (c) [REDACTED], who currently [REDACTED];
- (d) [REDACTED], who currently [REDACTED]; and
- (e) [REDACTED], who currently is [REDACTED].

The CMA understands that the above members of the [REDACTED] team are considered to be key staff within the meaning of the Initial Order.

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

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

(iv) [X] and for [X]; and

(v) [X].

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

(i) [X] have the necessary capacity and experience to effectively fulfil the roles of the [X] team members [X]; Hence, the departure and proposed handover of their responsibilities will not impact the viability or operation of the StubHub business;

(ii) [X] will ensure a smooth handover of their respective responsibilities to [X], subject to oversight by the MT;

(iii) [X] will not impact the viability or operation of the StubHub business;

(iv) for the avoidance of doubt, none of the responsibilities of the [X] team members will be redistributed to any viagogo personnel;

(v) [X] will continue to operate under a contract with the StubHub business.

(vi) [X] will report exclusively to StubHub, subject to any derogations granted by the CMA;

(vii) no co-ordination of departure of key staff between viagogo and StubHub is permitted;

(viii) this derogation will not lead to any integration of the StubHub and viagogo businesses and it will have no impact on any reference under section 22 of the Act or any remedial action that the CMA may need to take regarding the merger;

(ix) No changes to the StubHub individuals covered by this derogation are permitted without prior written consent of the CMA (including via email);

(x) StubHub must comply with its obligations under the Initial Order, including with respect to any course of action to [X]. For the avoidance, [X] without seeking a derogation from the CMA; and

(xi) 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.

Yours sincerely,

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

27 May 2020