

**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 3 and 4 June 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:

Paragraphs 7(c), 7(i) and 7(k) of the Initial Order – resignation and interim replacement of [X] of StubHub

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

StubHub explains that it does not intend to recruit a [X] to replace [X]. Instead, [X] will fulfil [X] role as [X] of StubHub on an interim basis. [X] will be appointed as [X] and will take over [X] responsibilities as soon as [X] departs from StubHub and following the issuance by the CMA 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. Further, StubHub submits that [X] will have the capacity to [X].

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

- (i) [X] of StubHub to resign from [X] position; and
- (ii) [X] to take on the responsibility of [X] role 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], 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 ongoing 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;
- (iii) for the avoidance of doubt, none of [X] responsibilities will be redistributed to any viagogo personnel;
- (iv) [X] is entirely independent of viagogo;
- (v) [X] will operate under a contract with the StubHub business which will run at least until [X];
- (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; and
- (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 on any remedial action that the CMA may need to take regarding the merger.

Paragraphs 7(c) and 7(i) – changes to StubHub’s [X] team members

StubHub submits that, following the appointment of [X] as Interim President of StubHub, [X] has identified: (i) [X] and (ii) [X]. As a result [X] has proposed [X] in order to address these concerns.

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:
 - a. The following StubHub employees to [X]:
 - (i) [X] at StubHub. [X] will provide [X]; and
 - (ii) [X] at StubHub. [X] will provide [X].
 - b. [X] at StubHub to be appointed as the [X] at StubHub and assume the responsibility for:
 - (i) [X] in accordance with StubHub's [X] restructuring for which a derogation was granted by the CMA on 22 May 2020; and
 - (ii) [X] in accordance with StubHub's [X] restructuring for which a derogation granted by the CMA on 22 May 2020.
2. This derogation is granted from paragraphs 7(c) and 7(i) of the Initial Order, strictly on the basis that:
 - (i) [X] will assume the above responsibilities [X];
 - (ii) [X] has the necessary capacity to take on the role of [X] at StubHub [X]. Further, [X] has the necessary experience to effectively assume [X];
 - (iii) [X] and [X] are sufficiently [X] to warrant [X] to the StubHub [X] team [X]. Further, it is strictly necessary for [X] to be [X] to the StubHub [X] team to support the viability and ongoing operation of the StubHub business;
 - (iv) for the avoidance of doubt, none of [X] responsibilities will be redistributed to any viagogo personnel;
 - (v) [X] and [X] are entirely independent of viagogo;
 - (vi) [X] and [X] will continue to operate under a contract with the StubHub business;
 - (vii) [X] and [X] will report exclusively to StubHub, subject to any derogations granted by the CMA;
 - (viii) no co-ordination of departure of key staff between viagogo and StubHub is permitted; and
 - (ix) 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 on any remedial action that the CMA may need to take regarding the merger.

Yours sincerely,

Alex Knight
Assistant Director, Remedies, Business and Financial Analysis
9 June 2020