

**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 6 August 2020

Acquisition by Ardonagh Group Limited of Bennetts Motorcycling Services Limited (the Merger)

We refer to your submissions of 17 July, 29 July and 6 and 14 August 2020 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 6 August 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, Ardonagh Group Limited (**Ardonagh**), Ardonagh Midco 2 plc (**Ardonagh UK**) and Atlanta Investments Holdings C Limited (**Atlanta**) and their subsidiaries are required to hold separate the Ardonagh business from the business of Bennetts Motorcycling Services Limited (**Bennetts**) 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 Ardonagh, Ardonagh UK and Atlanta carrying out the following actions, in respect of the specific paragraphs:

1. Paragraph 6(l) of the Initial Order – Management of Cash Funds

Ardonagh submits that, prior to completion of the Merger, Bennetts relied on Saga Plc (the Seller) for management of its cash funds. [X]. Ardonagh submits that it is key that there is an adequate management of Bennetts' cash funds to ensure the continuity and viability of the Bennetts' business, and in particular, that Bennetts' business has sufficient cash at its disposal so that it is maintained as a going concern.

Ardonagh is therefore seeking CMA consent for Bennetts to provide certain [X] to Ardonagh for these purposes.

The CMA consents to a derogation from paragraph 6(l) of the Initial Order for this specific purpose, strictly on the basis that:

- (a) Bennetts' financial information provided to Ardonagh will be limited to that which is strictly necessary for Ardonagh to provide assistance to Bennetts with managing its cash funds to ensure it is maintained as a going concern and that sufficient resources are available for its development, in template form as agreed with the CMA in Annex 1 submitted to the CMA on 6 August 2020;
- (b) No management commentary will be provided by Bennetts to Ardonagh alongside the information described in Annex 1;
- (c) Information for this strict purpose will only be provided to [REDACTED] (the **Authorised Individual**) for whom it is strictly necessary to see Bennetts' information;
- (d) The Authorised Individual does not have any responsibility for the commercial or strategic operations of Ardonagh, Ardonagh UK or Atlanta and shall not use any information provided by Bennetts in any way to intervene in the management or operation of Bennetts;
- (e) The Authorised Individual shall enter into an NDA in a form approved by the CMA;
- (f) This derogation only relates to information sharing and does not allow any integration of the Ardonagh and Bennetts businesses or any changes to the operation or functioning of the Ardonagh and Bennetts businesses;
- (g) [REDACTED] shall remain the only Authorised Individual. No additions or changes to the individuals receiving cash flow information of Bennetts shall be made without the prior written consent of the CMA (including via email);
- (h) Ardonagh will keep a record of all information shared by Bennetts in accordance with this derogation which will be made available to the CMA on request;
- (i) Firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within Ardonagh, Ardonagh UK and Atlanta from accessing the information shared with the Authorised Individuals for the purposes of this derogation;
- (j) This derogation shall not prevent any remedial action which the CMA may

need to take regarding the Merger; and

- (k) Should the Merger be prohibited, Ardonagh, Ardonagh UK and Atlanta will ensure that any confidential information received from Bennetts for the purposes of this derogation will be returned to the Bennetts business and any copies destroyed, except to the extent that record retention is required by law or regulation.

Yours sincerely,

Alex Knight

Assistant Director, Remedies Business and Financial Analysis

9 September 2020

**Annex 1 – financial information template for the purposes of Ardonagh’s
management of cash funds**