

APPLICATION FOR CONSENT IN RESPECT OF FINAL UNDERTAKINGS PURSUANT TO SECTION 82 OF THE ENTERPRISE ACT 2002

Completed acquisition by JD Sports Fashion plc (JD Sports) of the entire issued share capital of Footasylum plc¹ (Footasylum)

Consent to certain actions for the purposes of the Final Undertakings given to the Competition and Markets Authority (CMA) on 13 July 2020

We refer to the application by Footasylum dated 11 September 2020 that the CMA grant consent in relation to the Final Undertakings given by Footasylum, JD Sports, Pentland Group Limited (Jersey) and Pentland Group Limited, dated 13 July 2020 (the ‘Undertakings’). Terms defined in the Undertakings have the same meaning in this letter.

Under the Undertakings, save for the written consent of the CMA or in the ordinary course of business for the separate operation of the Footasylum business and the JD Sports business, JD Sports and Footasylum are required to maintain and preserve all of the assets of the Footasylum business, including facilities and goodwill, and no asset or interest in any asset is to be disposed of.

Further, under the Undertakings, the nature, description, range and quality of goods and services supplied in the UK by Footasylum is maintained and preserved unless prior written consent is obtained from the CMA to do otherwise.

After due consideration of the application for consent in accordance with paragraph 5 of the Undertakings and based on the information received from Footasylum, Footasylum may carry out the following actions in relation to the specific paragraphs of the Undertakings listed below.

Paragraphs 4.2.4, 4.2.6.1 and 4.2.6.2 of the Undertakings

Pursuant to a derogation request granted by the CMA on 27 March 2020 under the CMA’s Interim Order dated 26 November 2019, Footasylum has served a break notice to the landlord of its [X] for the purpose of renegotiating the lease terms with a view to agreeing more favourable rent terms with the landlord. The CMA understands that, having used its reasonable endeavours, Footasylum has not been able to achieve rent terms which are commercially viable.

On the basis that Footasylum [X]:

- the CMA consents to Footasylum not extending the lease term and closing the [X] by 21 September 2020 in order that it can exit this store following the expiration of the lease on 10 October 2020; and
- the CMA does not consider it necessary to issue directions requiring Footasylum to [X].

Paragraphs 4.2.4, 4.2.6.1 and 4.2.6.2 of the Undertakings

¹ Now Footasylum Limited

Pursuant to a derogation request granted by the CMA on 27 March 2020 under the CMA's Interim Order dated 26 November 2019, Footasylum has served a break notice to the landlord of its [X] for the purpose of renegotiating the lease terms with a view to agreeing more favourable rent terms with the landlord. The CMA understands that Footasylum, having used its reasonable endeavours, has not been able to renegotiate the lease. The CMA also understands that the [X].

On this basis:

- the CMA consents to Footasylum closing the [X] by 18 September 2020 in order that it can exit this store following the expiration of the lease on 4 October 2020; and
- the CMA does not consider it necessary to issue directions requiring Footasylum to [X].

Paragraph 4.2.4 of the Undertakings

The CMA consents to Footasylum entering into a lease on a new store in [X] at the following location: [X]. The CMA grants this derogation on the basis that opening the new store in [X] would not give rise to a risk of pre-emptive action.