

**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 26 October 2020 and 6 November 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.

On 23 September 2020, Ardonagh submitted to the CMA proposed undertakings in lieu of a reference to Phase 2 ('**UILs**'). On 30 September 2020, the CMA announced that the CMA considers that there are reasonable grounds for believing that one of the undertakings offered by Ardonagh, or a modified version of them, might be accepted by the CMA under the Act. This undertaking involves the divestiture of the entire issued share capital of Bennetts to a purchaser approved by the CMA (the '**Divestment**').

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

Ardonagh submits that in order to successfully complete the Divestment, Ardonagh will need to receive certain due diligence information from Bennetts, some of which may be commercially-sensitive, for two specific purposes (together the '**Specific Purposes**');

- i. to allow certain Ardonagh individuals to meaningfully represent Ardonagh's commercial views when reviewing the transaction documents, instructing its external M&A, legal and financial advisors (eg on the terms of the Divestment) and negotiating with potential purchasers interested in the Bennetts business ('**Specific Purpose 1**'); and
- ii. to recommend an interested purchaser(s) to Ardonagh's group-level Board and to advise the Board on the basis of the terms of the purchaser's offer (as well as to provide any other high level updates on the general Divestment process) ('**Specific Purpose 2**').

Information shared under Specific Purpose 1 would be limited to what is strictly necessary to achieve said purpose, and would include, but not be limited to, the Information Memorandum and the SPA ('**Specified Information 1**'). Information shared under Specific Purpose 2 would not include Bennetts' commercially-sensitive information shared for Specific Purpose 1. Instead, it would be limited to what is strictly necessary for Specific Purpose 2 only and would include high level recommendations intended for Ardonagh's group-level Board as to purchaser(s)' offer(s) and any general updates on the Divestment process ('**Specified Information 2**').

To allow Ardonagh to successfully complete the Divestment, the CMA consents to [REDACTED: '**Authorised Individual**'] (or any other individual associated with Ardonagh as agreed by the CMA in writing) accessing Specified Information 1 and Specified Information 2 for the Specific Purposes. [REDACTED: *Authorised Individual*] is a managing director of [REDACTED]. [REDACTED: *Authorised Individual*] is not involved in managing Ardonagh's motorcycle insurance business and does not oversee its commercial strategy. This consent is provided subject to the following conditions that:

- a) access to Specified Information 1 and 2 is limited to [REDACTED: *Authorised Individual*];
- b) any additional individuals requiring access to Specified Information 1 and/or Specified Information 2 (as the case may be) will first be approved in writing by the CMA;
- c) prior to receiving Specified Information 1 and 2, [REDACTED: *Authorised Individual*] (and any future named individual(s) approved by the CMA) will enter into confidentiality undertakings in a form approved by the CMA;
- d) the Bennetts commercially-sensitive information which is shared with [REDACTED: *Authorised Individual*] (and any future named individuals approved by the CMA) is limited to Specified Information 1 and 2;

- e) any financial information relating to the Bennetts business will be provided to [REDACTED: *Authorised Individual*] (and any future named individuals approved by the CMA) in an aggregated format;
- f) 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;
- g) the Monitoring Trustee will have full oversight of all information-sharing to ensure that any Bennetts information shared which is commercially-sensitive is Specified Information 1 and/or 2 (as the case may be);
- h) 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 Specified Information 1 and 2.

Yours sincerely,

Peter Park

Assistant Director, Remedies, Business & Financial Analysis

13 November 2020