

**DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002 COMPLETED ACQUISITION**

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 10 February 2020.

Completed acquisition of 3G Truck & Trailer Parts Ltd by TVS Europe Distribution Limited

We refer to your email and accompanying note of 12 November 2020 requesting that the CMA consents to derogations to the Initial Enforcement Order of 10 February 2020 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, except with the prior written consent of the CMA, TVS Automobile Solutions Private Limited (**TVS ASPL**), TVS Europe Distribution Limited (**TVS EDL**) and Universal Components UK Limited (**Universal Components**) shall not take any action which might prejudice a reference under section 22 of the Enterprise Act 2002 or impede the taking of any remedial action following such a reference, including any action which might, among other matters, lead to the integration of the 3G Truck & Trailer Parts Ltd (**3G**) business with the TVS ASPL business, or transfer the ownership or control of either of them or their subsidiaries. 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, TVS ASPL, TVS EDL and Universal Components may take the following actions, in respect of the specific paragraphs:

Paragraph 4(b) of the Initial Order

The CMA understands that TVS ASPL, TVS EDL and Universal Components are proposing to make the following changes (the **Internal Restructuring**):

- TVS EDL is currently owned 81.2% by TVS ASPL and 18.8% by Europe Africa Distribution Limited (**EADL**), which is in turn 100% owned by TVS ASPL. Pursuant to the Internal Restructuring, EADL will transfer its 18.8% shareholding of TVS EDL to TVS ASPL, and as a result of the transfer TVS EDL will become a 100% subsidiary of TVS ASPL.
- UC Africa (Pty) Ltd (**UCA**) is currently a 100% subsidiary of EADL. Pursuant to the Internal Restructuring, EADL will transfer its 100% shareholding of UCA to Universal Components, and as a result of the transfer UCA will become a 100% subsidiary of Universal Components.

The CMA consents to TVS ASPL, TVS EDL and Universal Components taking the actions necessary to carry out the Internal Restructuring.

Lesley Moore

Director, Mergers

17 November 2020