

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS 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 by TVS Europe Distribution Limited of 3G Truck & Trailer Parts Ltd**

We refer to your email dated 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.

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, Universal Components and 3G may take the following actions, in respect of the specific paragraphs:

**1. Paragraph 5(I) of the Initial Order**

In order for TVS ASPL, TVS EDL and Universal Components to assess a potential remedy involving a divestiture of the 3G business (the '**Permitted Purpose**') in light of the CMA's Provisional Findings and Notice of Possible Remedies of 21 October 2020, the CMA consents to the designated individuals set out in Annex A and any other individuals subsequently approved by the CMA (**TVS Permitted Persons**) receiving

financial information which may include commercially sensitive information, including the following:

- information relating to 3G's monthly sales, costs of sales, gross profit, gross margin, operating profit and net profit;
- information relating to 3G's monthly overheads, including the cost of staff, premises, warehousing, transport, administration, sales and marketing, professional fees and finance;
- information contained in 3G's monthly balance sheet;
- any additional financial or commercial information subsequently approved by the CMA

The derogation granted above is subject to the implementation of the following safeguard measures listed below:

- a) information will only be provided to each of the TVS Permitted Persons once TVS EDL has received from each of them appropriate signed written undertakings (in the form of a Non-Disclosure Agreement (**NDA**) approved in advance by the CMA) to preserve the confidentiality of the information and to use the information only for the Permitted Purpose;
- b) 3G financial information that is to be provided to the TVS Permitted Persons will be limited to that prescribed in a template agreed with the CMA;
- c) the Monitoring Trustee will be copied in when 3G financial information is provided to the TVS Permitted Persons;
- d) the TVS Permitted Persons will not discuss or otherwise share 3G financial information with any other persons;
- e) appropriate information barriers will be put in place by TVS ASPL, TVS EDL and Universal Components to prevent any persons other than the TVS Permitted Persons from accessing the information; and
- f) should the CMA's determination of the reference result in divestiture or other remedies, TVS ASPL, TVS EDL, and Universal Components will ensure that the information provided to the TVS Permitted Persons will be returned to 3G and any copies destroyed, except where retention is required for legal or regulatory purposes and/or where that information is contained in any electronic file created pursuant to any routine backup or archiving procedure so long as such file is not

generally accessible beyond the need for disaster recovery or similar operations.

**Lesley Moore**

Director, Mergers

17 November 2020

## Annex A – TVS Permitted Persons

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