

**COMPLETED ACQUISITION BY ARDONAGH GROUP LIMITED OF BENNETTS
MOTORCYCLING SERVICES LIMITED**

**Undertakings given by Ardonagh Group Limited and Bennetts Motorcycling
Services Limited to the Competition and Markets Authority pursuant to
section 73 of the Enterprise Act 2002**

Whereas:

- (a) The Ardonagh Group Limited (**Ardonagh**) completed the acquisition of Bennetts Motorcycling Services Limited (**Bennetts**) on 7 August 2020 via its majority owned and indirectly controlled subsidiaries Atlanta Investment Holdings C Limited and Atlanta Investment Holdings 2 Limited (the **Merger**) such that Ardonagh and Bennetts ceased to be distinct for the purposes of the Enterprise Act 2002 (the **Act**);
- (b) Under section 22(1) of the Act, the Competition and Markets Authority (**CMA**) has a duty to refer a relevant merger situation for a Phase 2 investigation where it believes that it is or may be the case that the creation of that merger situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services;
- (c) Under section 73 of the Act the CMA may, instead of making such a reference, and for the purpose of remedying, mitigating or preventing the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it or may be expected to result from it, accept undertakings to take such action as it considers appropriate, from such of the parties concerned as it considers appropriate. In particular, the CMA shall have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it;
- (d) As set out in the CMA's decision of 16 September 2020 (the **Decision**), the CMA believes that, in the absence of appropriate undertakings, it would be under a duty to refer the Merger for a Phase 2 investigation;
- (e) The CMA considers that the undertakings given below by Ardonagh and Bennetts are appropriate to remedy, mitigate or prevent the substantial lessening of competition, or any adverse effect which has or may have resulted from the Merger, or may be expected to result from it, as specified in the Decision;

- (f) The CMA made an Initial Enforcement Order (**IEO**) applying to Ardonagh Group Limited, Ardonagh Midco 2 plc and Atlanta Investment Holdings C Limited on 7 August 2020 in respect of the Merger pursuant to section 72 of the Act for the purposes of preventing pre-emptive action. On 11 September 2020, the CMA issued directions under the IEO for the appointment of a monitoring trustee (the **Monitoring Trustee**) in order to monitor and ensure compliance with the IEO. Pursuant to section 72(6)(b) of the Act, the IEO ceases to be in force on the acceptance by the CMA of the undertakings given below by Ardonagh and Bennetts.

NOW THEREFORE Ardonagh and Bennetts hereby give to the CMA the following undertakings for the purpose of remedying, mitigating or preventing the substantial lessening of competition, or any adverse effect which has or may have resulted from it or may be expected to result from it.

1 EFFECTIVE DATE OF THE UNDERTAKINGS

- 1.1 These undertakings shall take effect from the date that, having been signed by Ardonagh and Bennetts, they are accepted by the CMA.

2 DIVESTMENT OF THE DIVESTMENT BUSINESS

- 2.1 Ardonagh shall, using its best endeavours and acting in good faith, as soon as reasonably practicable, effect to the satisfaction of the CMA the divestment of the Divestment Business as a going concern by the end of the Divestment Period to a purchaser approved by the CMA in accordance with the provisions of these undertakings, including in particular paragraphs 3.1 and 3.2.
- 2.2 Without prejudice to the generality of paragraph 2.1 above, Ardonagh shall, except with the prior written consent of the CMA, use all reasonable endeavours to ensure the transfer of the Divestment Business's Key Staff with the divestment of the Divestment Business.
- 2.3 Ardonagh shall be deemed to have complied with its obligations at paragraph 2.1 above if, as soon as reasonably practicable and in any event by the end of the Divestment Period, it has entered into a legally binding agreement (or agreements) with a purchaser (or purchasers) approved in advance by the CMA in writing pursuant to these undertakings (or a legally binding agreement (or agreements) conditional on such approval), in both cases conditional on the approval of the FCA, provided that all necessary approvals and the completion of the divestment of the Divestment Business contemplated by such agreement (or agreements), take place by the end of the Divestment Period. The CMA must approve the final transaction agreements between Ardonagh and a purchaser approved in advance by the CMA prior to

completion.

- 2.4 Without prejudice to the generality of paragraph 2.1 above, Ardonagh shall take the following measures to the extent they may be necessary in the opinion of the CMA to effect the sale of the Divestment Business in accordance with the provisions of these undertakings:
- (a) the transfer or vesting of property, assets, rights, personnel, liabilities or obligations (including without prejudice any contracts, licences, authorisations, permits or consents);
 - (b) the adjustment of contracts, whether by discharge or reduction or assignment of any liability or obligation or otherwise;
 - (c) the creation, allotment, transfer, surrender or cancellation of any shares, stock or securities; and
 - (d) the formation or winding up of a company.
- 2.5 [✂].
- 2.6 Ardonagh shall ensure that the sale and purchase agreement entered into for the purposes of paragraphs 2.1 and 2.3 above includes a warranty that the purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the Divestment Business as part of a viable and active business in competition with Ardonagh and other competitors in the distribution of motorcycle insurance in the UK.
- 2.7 Subject to paragraph 7.1, the CMA may, whether or not initiating the Divestiture Trustee Functions as set out in paragraph 9 below, require Ardonagh to divest the Divestment Business as a going concern at no minimum price to a purchaser approved by the CMA.
- 2.8 Ardonagh shall notify the CMA in writing of the identity of each proposed purchaser that makes an offer for the Divestment Business together with the value and terms of such offers as soon as reasonably practicable following the receipt of such offers and in any event within 5 Working Days of receipt of such offers.
- 2.9 Bennetts undertakes to cooperate with Ardonagh and take all reasonable steps as may be required to assist Ardonagh to comply with these undertakings, including complying with any written directions given by the CMA.

3 APPROVAL OF PURCHASER AND TERMS OF DIVESTMENT

- 3.1 For the purposes of the CMA approving a Proposed Purchaser of the Divestment Business in accordance with these undertakings, Ardonagh shall, save as required or permitted by the CMA, satisfy the CMA that:
- (a) the acquisition by the Proposed Purchaser of the Divestment Business, on the terms set out above, remedies, mitigates or prevents the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, in particular having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it;
 - (b) the Proposed Purchaser is independent of and unconnected to Ardonagh and the Group of Interconnected Bodies Corporate to which Ardonagh belongs and any Associated Person or Affiliate of Ardonagh or such Group of Interconnected Bodies Corporate;
 - (c) the Proposed Purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the Divestment Business as a viable and active business in competition with Ardonagh and other competitors in the distribution of motorcycle insurance in the UK from the date of completion of the divestment of the Divestment Business;
 - (d) the Proposed Purchaser is reasonably to be expected to obtain all necessary approvals, licences and consents from any regulatory or other authority, including (where applicable) landlord's consent to the transfer of any leasehold interest; and
 - (e) the acquisition by the Proposed Purchaser of the Divestment Business does not create a realistic prospect of a substantial lessening of competition within any market or markets in the UK.
- 3.2 The CMA may require Ardonagh to provide it with such information and documentation as it may reasonably require to satisfy the CMA that the Proposed Purchaser will fulfil the requirements in paragraph 3.1 above.

4 MONITORING TRUSTEE - APPOINTMENT

- 4.1 Ardonagh undertakes to secure the appointment or retention of an independent Monitoring Trustee to perform the functions in paragraph 6 on behalf of the CMA. Provided that the other conditions set out in this paragraph 4 are complied with, the Monitoring Trustee may be the same as already appointed pursuant to the written directions made by the CMA on 11

September 2020 under the IEO. In the event that Ardonagh proposes to retain the current Monitoring Trustee, no later than five Working Days after the effective date of these undertakings (defined in paragraph 1.1 above), Ardonagh shall provide the CMA with a copy of the updated agreed terms and conditions of appointment that reflect these undertakings. The Monitoring Trustee must possess appropriate qualifications and experience to carry out its functions. The Monitoring Trustee must be under an obligation to carry out its functions to the best of its abilities.

4.4 The Monitoring Trustee must neither have nor become exposed to a conflict of interest that impairs the Monitoring Trustee's objectivity and independence in discharging its duties under these undertakings, unless it can be resolved in a manner and within a time frame acceptable to the CMA. Ardonagh shall remunerate and reimburse the Monitoring Trustee for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the Monitoring Trustee's independence or ability to effectively and properly carry out its functions. Unless paragraph 4.2 applies:

(a) the appointment of the Monitoring Trustee and its terms and conditions must be approved by the CMA. Ardonagh shall inform the CMA as soon as is reasonably practicable and in any event by no later than two Working Days after the effective date of these undertakings (defined in paragraph 1.1 above) of the identity of the Monitoring Trustee that it proposes to appoint and provide the CMA with draft terms and conditions of appointment. Once the Monitoring Trustee has been approved by the CMA and appointed by Ardonagh, Ardonagh shall provide the CMA with a copy of the agreed terms and conditions of appointment.

(b) If the proposed Monitoring Trustee is rejected by the CMA, Ardonagh shall submit the names of at least two further persons within five Working Days starting with the date on which it was informed of the rejection, in accordance with the requirements and the procedures set out in paragraphs 4.3 to 4.5 above.

4.7 The provisions of paragraph 4.8 below shall apply if:

(a) paragraph 4.2 does not apply;

(b) Ardonagh fails to nominate persons in accordance with paragraph 4.6 above;

(c) those further persons nominated by Ardonagh in accordance with paragraph 4.6 above are rejected by the CMA; or

(d) Ardonagh is unable for any reason to conclude the appointment of the Monitoring Trustee within the time limit specified by the CMA.

4.8 The CMA shall nominate one or more persons to act as Monitoring Trustee, and Ardonagh shall appoint or cause to be appointed such Monitoring Trustee within two Working Days starting with the date of such nomination under the term of a Monitoring Trustee mandate approved by the CMA.

4.9 The Monitoring Trustee's mandate shall specify that the Monitoring Trustee will carry out the functions set out in paragraph 6 below and that the Monitoring Trustee will monitor the compliance of Ardonagh and Bennetts with their respective obligations under these undertakings. The mandate shall provide that the Monitoring Trustee shall take such steps as it reasonably considers necessary to carry out its functions effectively and that the Monitoring Trustee must comply with any reasonable requests made by the CMA for the purpose of carrying out its functions under these undertakings.

5 MONITORING TRUSTEE – REPLACEMENT, DISCHARGE AND REAPPOINTMENT

5.1 Ardonagh acknowledges that if the Monitoring Trustee ceases to perform its duties, or for any other good cause, including the exposure of the Monitoring Trustee to a conflict of interest, the CMA may, after consulting the Monitoring Trustee, require Ardonagh to replace the Monitoring Trustee.

5.2 If the Monitoring Trustee is removed under paragraph 5.1 above, the Monitoring Trustee may be required to continue in its post until a new Monitoring Trustee is in place to whom the Monitoring Trustee has effected a full handover of all relevant information. The new Monitoring Trustee shall be appointed in accordance with the procedure contained in paragraph 4 above.

6 MONITORING TRUSTEE - FUNCTIONS

6.1 The Monitoring Trustee's functions as set out in this paragraph 6 are to monitor and review compliance with these undertakings and progress towards the Final Disposal, and shall in particular include:

(a) monitoring compliance with the undertakings set out in paragraphs 2 (concerning the divestment of the Divestment Business) and 12 (concerning interim action); and

(b) monitoring the progress made against the Approved Timetable towards Final Disposal, and the steps that have otherwise been taken to comply

with these undertakings including:

- (i) the steps that have been taken towards the preparation of agreements for the transfer of the Divestment Business and the persons to whom such agreements have been distributed;
- (ii) where the Monitoring Trustee reasonably deems necessary, requesting and reviewing copies of communications (save where those communications are subject to legal privilege) between Ardonagh and its financial or other advisers and possible purchasers or its financial or other advisers in connection with the disposal process;
- (iii) report on any developments that the Monitoring Trustee reasonably considers may have a material impact on Ardonagh's ability to meet a step or deadline in the Approved Timetable;
- (iv) in instances where the Monitoring Trustee reasonably considers there to be a material risk that Ardonagh will not meet a step or deadline in the Approved Timetable, the Monitoring Trustee may attend meetings between Ardonagh and possible purchasers in connection with the disposal process;
- (v) make recommendations to the CMA in order to ensure an efficient divestiture process and within the Divestiture Period; and
- (vi) undertake any further investigations as may be required by the CMA in relation to compliance with these undertakings and/or any proposed extension of the Divestiture Period.

6.2 The Monitoring Trustee will promptly inform the CMA of any material developments in connection with these undertakings and will provide a written report to the CMA every two weeks, the first report to be submitted not later than three weeks from the effective date of these undertakings (defined in paragraph 1.1 above).

7 DIVESTITURE TRUSTEE - APPOINTMENT

7.1 The provisions of paragraph 7.2 to paragraph 7.7 below shall apply only as long as:

- (a) Ardonagh has not satisfied, or where the CMA has reasonable grounds for believing that Ardonagh will not satisfy, all or any part of the obligation to divest the Divestment Business in accordance with

- paragraphs 2 and 3; or
- (b) the CMA reasonably considers that Ardonagh has not complied with the Approved Timetable in such a way that Final Disposal is unlikely to take place within the Divestment Period.
- 7.2 Within 5 Working Days of the CMA notifying Ardonagh in writing that it must appoint a Divestiture Trustee, Ardonagh shall propose to the CMA for approval:
- (a) the names of at least two individuals to exercise the Divestiture Trustee Functions; and
- (b) the full terms of a mandate in accordance with which the Divestiture Trustee shall carry out the Divestiture Trustee Functions.
- 7.3 Ardonagh and/or any individuals nominated pursuant to paragraph 7.2 shall satisfy the CMA that, save as required or permitted by the CMA:
- (a) such nominated individuals have the necessary qualifications to carry out their mandates, and are employees or partners of an investment bank, retail bank, commercial property agent, building society or law firm or accountancy firm with an established reputation either nationwide or in a substantial part of the UK or in another EU member state;
- (b) such nominated individuals are each independent of Ardonagh and Bennetts and of the Group of Interconnected Bodies Corporate to which Ardonagh or Bennetts belongs and of any Associated Person or Affiliate of Ardonagh or Bennetts or of such Group of Interconnected Bodies Corporate and of any Proposed Purchaser of the Divestment Business to be sold pursuant to these undertakings, and, in the reasonable opinion of Ardonagh or Bennetts, are appropriate to be appointed as Divestiture Trustee; and
- (c) such nominated individuals neither are, nor are likely to become, exposed, either directly or indirectly, to a conflict of interest that impairs or may be likely to impair their objectivity or independence in discharging the Divestiture Trustee Functions.
- 7.4 Within 2 Working Days of the CMA approving, at its discretion, one or more of the persons nominated by Ardonagh and their proposed mandates pursuant to paragraph 7.2 above, and subject to any modifications the CMA deems necessary for the Divestiture Trustee to carry out the Divestiture Trustee Functions, Ardonagh shall use its best endeavours to appoint from the persons so approved one person to carry out the Divestiture Trustee Functions in accordance with the mandate approved by the CMA pursuant to paragraph

7.2 above.

7.5 In the event that:

- (a) Ardonagh fails to propose any person or persons in accordance with paragraph 7.2 above; or
- (b) none of the persons proposed by Ardonagh pursuant to paragraph 7.2 is approved by the CMA; or
- (c) Ardonagh is unable for any reason to appoint within the time limit stipulated in paragraph 7.4 above any such person following approval by the CMA,

Ardonagh shall use its best endeavours to appoint from persons nominated by the CMA one person to carry out the Divestiture Trustee Functions on the terms of a mandate approved by the CMA. Ardonagh shall use its best endeavours to make such appointment within 3 Working Days of receiving the nominations from the CMA.

7.6 The appointment of the Divestiture Trustee pursuant to paragraph 7.4 or paragraph 7.5 above shall be irrevocable unless:

- (a) a conflict of interest that impairs or may be likely to impair the objectivity or independence of the Divestiture Trustee in discharging the Divestiture Trustee Functions arises;
- (b) the Divestiture Trustee ceases to perform the Divestiture Trustee Functions; or
- (c) the CMA is otherwise satisfied that there is good cause for the appointment to be terminated in advance of the satisfactory fulfilment of the Divestiture Trustee Functions.

7.7 In the event that the appointment of the Divestiture Trustee is terminated in accordance with paragraph 7.6 above, Ardonagh shall, if requested to do so in writing by the CMA, use its best endeavours to appoint from persons nominated by the CMA one person to carry out the Divestiture Trustee Functions in accordance with such mandate as is approved by the CMA. Ardonagh shall use its best endeavours to make such appointment within 3 Working Days of receiving the nominations from the CMA. Where required by the CMA, the outgoing Divestiture Trustee shall continue as Divestiture Trustee until a new Divestiture Trustee is in place and a full handover of all relevant information has taken place.

8 DIVESTITURE TRUSTEE - MANDATE

- 8.1 The terms of the mandate proposed by Ardonagh pursuant to paragraph 7.2 above shall, as a minimum, contain all provisions necessary to enable the Divestiture Trustee to carry out the Divestiture Trustee Functions including, without limitation to the generality of this paragraph:
- (a) an exclusive, irrevocable mandate to sell the Divestment Business as required by paragraph 9.1 below to a purchaser as directed or approved in writing in advance by the CMA at no minimum price and on such reasonable terms and conditions as the Divestiture Trustee considers appropriate to effect an expedient sale;
 - (b) a mandate to take any other steps necessary for, or incidental to, the Divestiture Trustee's mandate under sub-paragraph (a) above;
 - (c) a comprehensive power of attorney to the Divestiture Trustee (including the authority to grant sub-powers of attorney to the Divestiture Trustee's officers, employees and agents) to enable it to take all steps necessary or appropriate to effect the sale of the Divestment Business;
 - (d) a mandate to comply with any orders and/or directions given by the CMA; and
 - (e) a mandate to appoint at Ardonagh's expense such advisers as the CMA and/or the Divestiture Trustee reasonably considers necessary or appropriate in connection with the performance of the Divestiture Trustee Functions.

9 DIVESTITURE TRUSTEE - FUNCTIONS

- 9.1 The Divestiture Trustee shall seek to procure, within such period as may be specified in writing by the CMA, the completion of the sale of the Divestment Business at no minimum price, to a purchaser or purchasers approved by the CMA in accordance with paragraph 9.3 below.
- 9.2 Without prejudice to the generality of paragraph 9.1 above, the Divestiture Trustee shall take the following measures in relation to the Divestment Business to the extent to which such measures may be necessary to effect the divestment of the Divestment Business in accordance with the provisions of these undertakings:
- (a) the transfer or vesting of property, assets, rights, personnel, liabilities or obligations (including without prejudice any contracts, licences, authorisations, permits or consents);
 - (b) any other transfer of interests that will take effect with the sale;

- (c) the adjustment of contracts, whether by discharge or reduction or assignment of any liability or obligation or otherwise;
- (d) the creation, allotment, transfer, surrender or cancellation of any shares, stock or securities; and
- (e) the formation or winding up of a company.

9.3 The Divestiture Trustee shall not sell or permit the divestment of the Divestment Business to a Proposed Purchaser unless it has been directed to do so by the CMA or has obtained the CMA's prior written approval in respect of the identity of that Proposed Purchaser. The Divestiture Trustee shall notify the CMA of the identity of a Proposed Purchaser as soon as reasonably practicable prior to the signing of a legally enforceable agreement and in any event at least 20 Working Days (or as amended with the prior written consent of the CMA) in advance of the proposed completion of the proposed sale and purchase agreement in question.

9.4 Pending the divestment of the Divestment Business pursuant to paragraph 9.1 above, the Divestiture Trustee shall monitor Ardonagh's compliance with its obligations under paragraph 10.1 and paragraph 10.2 below and shall promptly take such measures as it considers necessary to ensure such compliance, as well as reporting in writing to the CMA, if the Divestiture Trustee concludes on reasonable grounds that Ardonagh is failing or will fail to comply with such obligations.

9.5 The Divestiture Trustee may give written directions to Ardonagh to take such steps as may be specified or described in the directions for the purpose of securing Ardonagh's compliance with its obligations under these undertakings or enabling the Trustee to carry out the Divestiture Trustee Functions. The Divestiture Trustee may not require Ardonagh to:

- (a) offer any reverse premium or similar inducement to a purchaser; or
- (b) accept any actual or contingent liability towards a purchaser or otherwise in connection with the divestment of the Divestment Business which would be unusual in scope, duration or financially, having regard to the price and usual market practice in relation to similar disposals.

9.6 The Divestiture Trustee shall, as soon as reasonably practicable, comply at all times with any reasonable instructions or written directions made by the CMA for the purposes of carrying out or securing compliance with the undertakings (or any matter incidental thereto) and shall provide to the CMA such information and reports in relation to the carrying out of the Divestiture Trustee Functions as the CMA may require. The Divestiture Trustee shall promptly report in writing to the CMA if the Divestiture Trustee concludes on reasonable

grounds that Ardonagh is failing or will fail to comply with any of its obligations under these undertakings.

- 9.7 For the purpose of fulfilling the Divestiture Trustee Functions, the Divestiture Trustee shall not be bound by instructions of Ardonagh nor shall the Divestiture Trustee Functions be extended or varied in any way by Ardonagh save with the prior express written consent of the CMA.

10 OBLIGATIONS OF ARDONAGH FOLLOWING APPOINTMENT OF DIVESTITURE TRUSTEE

- 10.1 Ardonagh shall not give any instruction or make any request to the Divestiture Trustee which conflicts with the Divestiture Trustee Functions.

- 10.2 Ardonagh shall take all such steps as are reasonably necessary to enable the Divestiture Trustee to carry out the Divestiture Trustee Functions, including but not limited to:

- (a) complying with such written directions as the Divestiture Trustee may from time to time give pursuant to paragraph 9.5 above; and
- (b) providing the Divestiture Trustee with all such assistance and information as it may reasonably require in carrying out the Divestiture Trustee Functions.

11 DIVESTITURE TRUSTEE - REMUNERATION

- 11.1 Ardonagh shall pay the Divestiture Trustee a reasonable remuneration for the services it provides in carrying out the Divestiture Trustee Functions, and shall pay the Divestiture Trustee in a way that does not impede the independent and effective fulfilment of the Divestiture Trustee Functions, which shall be set out in the Divestiture Trustee's mandate referred to in paragraph 8 above.

12 INTERIM ACTION

- 12.1 Except with the prior written consent of the CMA (which, for the avoidance of doubt, includes the list of derogations set out in Annex 1 that shall be treated as exceptions to the general obligations set out in paragraph 12.1 during the Specified Period, unless amended or revoked by the CMA at any time), Ardonagh and Bennetts undertake, during the Specified Period, not to take any action which might impede the Final Disposal, including any action which might:

- (a) lead to the integration of the Divestment Business with the Ardonagh Business;

- (b) transfer the ownership or control of the Divestment Business; or
- (c) otherwise impair the ability of the Divestment Business to compete independently in any of the Relevant Markets.

12.2 Further and without prejudice to the generality of paragraph 12.1, pending the completion of the divestment of the Divestment Business to the satisfaction of the CMA in accordance with the provisions of these undertakings, save as otherwise agreed in advance in writing by the CMA (which includes any previously granted derogations pursuant to the IEO listed in Annex 1), Ardonagh and Bennetts shall at all times during the Specified Period minimise as far as possible any risk of loss of competitive potential of the Divestment Business and in particular ensure that:

- (a) the Divestment Business is carried on separately from the Ardonagh Business and the Divestment Business's separate sales or brand identity is maintained;
- (b) the Divestment Business and the Ardonagh Business are maintained as a going concern and sufficient resources are made available for the development of the Divestment Business and the Ardonagh Business, on the basis of their respective pre-Merger business plans;
- (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Divestment Business or the Ardonagh Business;
- (d) the nature, description, range and quality of services supplied in the UK by each of the Divestment Business and the Ardonagh Business are maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the Divestment Business and the Ardonagh Business:
 - (i) all of the assets of the Divestment Business and the Ardonagh Business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Divestment Business or the Ardonagh Business are disposed of; and
 - (iii) no interest in the assets of the Divestment Business or the Ardonagh Business is created or disposed of;

- (f) there is no integration of the information technology of the Divestment Business or Ardonagh Businesses, and the software and hardware platforms of the Divestment Business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the Divestment Business and the Ardonagh Business shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Divestment Business will be carried out by the Divestment Business alone and for the avoidance of doubt the Ardonagh Business will not negotiate on behalf of the Divestment Business (and vice versa) or enter into any joint agreements with the Divestment Business (and vice versa);
- (h) all existing contracts of the Divestment Business and the Ardonagh Business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to Key Staff of the Divestment Business or the Ardonagh Business;
- (j) no Key Staff are transferred between the Divestment Business and the Ardonagh Business;
- (k) all reasonable steps are taken to encourage all Key Staff to remain with the Divestment Business and the Ardonagh Business; and
- (l) no Confidential Information relating to either of the Divestment Business or the Ardonagh Business shall pass, directly or indirectly, from the Divestment Business (or any of its employees, directors, agents or affiliates) to the Ardonagh Business (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (for example, where required for compliance with external regulatory and/or accounting obligations) or any steps necessary in order for Ardonagh to comply with these undertakings, including the transfer of information necessary for the divestment process, provided that, upon divestment of the Divestment Business, any records or copies (electronic or otherwise) of Confidential Information held by Ardonagh in relation to the Divestment Business (or vice versa) shall be returned to the relevant business and any copies destroyed (except as may be necessary for the purposes of compliance with the obligations above).

12.3 At all times, Ardonagh and Bennetts will actively keep the CMA informed of any material developments relating to the Divestment Business, which

includes, but is not limited to:

- (a) details of Key Staff who leave the Ardonagh Business or the Divestment Business;
- (b) any interruption of the Ardonagh Business or the Divestment Business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
- (c) all substantial customer volumes lost by the Divestment Business; and
- (d) substantial changes in the Ardonagh Business's or the Divestment Business's contractual arrangements or relationships with key suppliers.

12.4 Ardonagh and Bennetts each undertakes that within a period of five Working Days from the effective date of these undertakings, as set out in paragraph 1.1 above, they will provide written compliance statements to the CMA in a form set out in Annex 2, confirming compliance with their respective obligations under paragraph 12 of these undertakings (subject to any granted derogations). Each of Ardonagh and Bennetts shall set out any details of material developments for the purposes of paragraph 12.3 of which they are aware. Thereafter, Ardonagh and Bennetts will provide similar compliance statements to the CMA on a every two weeks basis until Final Disposal, with the first such statement to be submitted to the CMA no later than two weeks from the first written statement.

13 CONTINUED SEPARATION

13.1 Except with the prior written consent of the CMA, for a period of 10 years following the divestment of the Divestment Business pursuant to these undertakings, Ardonagh, or any member of the Group of Interconnected bodies Corporate to which Ardonagh belongs:

- (a) shall not, directly or indirectly, hold, acquire, re-acquire or use:
 - (i) an Interest in the Divestment Business; or
 - (ii) any Interest in any company carrying on or having Control of the Divestment Business (other than any investments made in the ordinary course of the operation of any of the employee benefit and pension schemes of Ardonagh or of any members of the Group of Interconnected Bodies Corporate to which Ardonagh belongs of not more than three per cent in aggregate of the issued equity share capital in any such company, whose shares are listed or dealt with

on any recognised investment exchange, which carries no more than three per cent of the voting rights exercisable at meetings of such company); or

- (iii) other than in the normal course of business, any of the assets of the Divestment Business;
- (b) shall procure that no employee or director of Ardonagh or any member of the Group of Interconnected Bodies Corporate to which Ardonagh belongs for as long as they are an employee or director of Ardonagh or any member of the Group of Interconnected Bodies Corporate to which Ardonagh belongs holds or is nominated to any directorship or managerial position in the Divestment Business or directorship or managerial position in any company or other undertaking carrying on or having control of the Divestment Business without the CMA's prior written consent;
- (c) shall not participate in the formulation of, or (other than in the ordinary course of business) influence or attempt to influence, the policy of the Divestment Business or any company or other undertaking carrying on or having control of that Divestment Business; and
- (d) shall not enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in any Associated Person or Affiliate of Ardonagh or of any member of the Group of Interconnected Bodies Corporate to which Ardonagh belongs directly or indirectly acquiring the Divestment Business or doing any of the things listed in sub-paragraphs 13.1(a), 13.1(b) and 13.1(c) above.

14 COMPLIANCE

14.1 Ardonagh and Bennetts shall comply promptly with such written directions as the CMA may from time to time give:

- (a) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
- (b) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.

14.2 Ardonagh and Bennetts shall co-operate fully with the CMA when the CMA is:

- (a) monitoring compliance with the provisions of these undertakings; and
- (b) investigating potential breaches of the provisions of these undertakings.

14.3 Ardonagh and Bennetts shall procure that any member of their respective Group of Interconnected Bodies Corporate complies with these undertakings as if it had given them and actions and omissions of the members of their respective Group of Interconnected Bodies Corporate shall be attributed to Ardonagh or Bennetts, as the case may be, for the purposes of these undertakings.

14.4 Where any Affiliate of Ardonagh or Bennetts is not a member of their respective Group of Interconnected Bodies Corporate, Ardonagh or Bennetts, as the case may be, shall use its best endeavours to procure that any such Affiliate shall comply with these undertakings as if it had given them.

15 DIVESTITURE REPORTING OBLIGATIONS

15.1 Ardonagh undertakes that within the period of five Working Days from the effective date of these undertakings (defined in paragraph 1.1 above), or such other period as may be agreed by the CMA, it will provide a timetable that it proposes to adopt, subject to the CMA's approval, to ensure the Final Disposal. The CMA will either approve this timetable as proposed or require reasonable amendments to it and will notify Ardonagh of the Approved Timetable.

15.2 Thereafter, Ardonagh will provide a written report to the CMA every two weeks or such other interval as agreed with the CMA, until Final Disposal. The reports will outline the progress that Ardonagh has made towards the Final Disposal, and the steps that have otherwise been taken to comply with these undertakings and shall in particular report on:

- (a) the progress that has been made against the Approved Timetable;
- (b) the status of any discussions that have been held with potential purchasers of the Divestment Business;
- (c) the progress that has been made towards agreeing heads of terms (if applicable);
- (d) the steps that have been taken towards reaching a sale and purchase agreement and the persons to whom any draft agreement has been distributed; and
- (e) such other matters as may be directed by the CMA from time to time.

15.3 Ardonagh undertakes that in the report to the CMA, it shall, among other things, provide to the CMA:

- (a) the total number of persons who have lodged a formal bid with Ardonagh for the acquisition of the Divestment Business since, or prior to, the

- effective date of these undertakings (defined in paragraph 1.1 above);
- (b) the name, address, email address, contact point and telephone number of each person who has lodged a formal bid with Ardonagh, since, or prior to, the effective date of these undertakings (defined in paragraph 1.1 above) and subsequently been short-listed by Ardonagh as a preferred purchaser; and
 - (c) details of the efforts taken by Ardonagh and its financial advisers to solicit purchasers for the Divestment Business.

15.4 In the event that Ardonagh does not meet a step as set out in the Approved Timetable or is otherwise delayed in implementing the Final Disposal, Ardonagh undertakes to inform the CMA in writing of the occurrence and the reasons for the failure promptly, but not later than three Working Days from becoming aware that a step in the Approved Timetable has not been met.

16 PROVISION OF INFORMATION

16.1 Ardonagh and Bennetts shall furnish promptly to the CMA such information as the CMA considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any Confidential Information.

17 EXTENSION OF TIME LIMITS

17.1 The CMA may, in response to a written request from Ardonagh, or otherwise at its own discretion, grant an extension to any time period referred to in these undertakings.

18 SERVICE

18.1 Ardonagh hereby authorises Ardonagh's Legal Representatives, Herbert Smith Freehills LLP, whose address for service is Exchange House, Primrose Street, London, EC2A 2EG; Bennetts hereby authorises Bennetts' Legal Representatives, Addleshaw Goddard LLP, whose address for service is Milton Gate 60, Chiswell Street, London, EC1Y 4AG, to accept service on its behalf of all documents connected with these undertakings (including any document of any kind which falls to be served on or sent to Ardonagh, Bennetts or any of their respective Subsidiaries in connection with any proceedings in Courts in the UK, orders, requests, notifications or other communications connected with these undertakings).

18.2 Unless Ardonagh or Bennetts (as the case may be) informs the CMA in writing that its Legal Representatives have ceased to have authority to accept and

acknowledge service on its or any of its Subsidiaries' behalf, any document, order, request, notification or other communication shall be validly served on Ardonagh or Bennetts if it is served on their respective Legal Representatives; and service shall be deemed to have been acknowledged if it is acknowledged by their respective Legal Representatives or such other nominee to the CMA.

- 18.3 Paragraph 18.1 has effect irrespective of whether, as between Ardonagh/Bennetts and their respective Legal Representatives or other nominees, Ardonagh's/Bennetts's Legal Representatives or other nominees have or continue to have any authority to accept and acknowledge service on behalf of it or any of its respective Subsidiaries' behalf (unless it informs the CMA that Ardonagh's/Bennetts's Legal Representatives have ceased to have authority to accept and acknowledge service on its behalf).
- 18.4 No failure or mistake by Ardonagh's/Bennetts's Legal Representatives or other nominees (including a failure to notify Ardonagh/Bennetts of the service of any document, order, request, notification or other communication) shall invalidate any action taken in respect of these undertakings including any proceedings or judgment.
- 18.5 Any communication from Ardonagh or Bennetts to the CMA under these undertakings shall be addressed to Manager, Market and Mergers Remedies Monitoring, Competition and Markets Authority, The Cabot, 25 Cabot Square, London E14 4QZ or such other person or address as the CMA may direct in writing.

19 EFFECT OF INVALIDITY

- 19.1 Should any provision of these undertakings be contrary to law or invalid for any reason, Ardonagh and Bennetts undertake to continue to observe the remaining provisions.

20 GOVERNING LAW

- 20.1 Ardonagh and Bennetts recognise and acknowledge that these undertakings shall be governed and construed in all respects in accordance with English law.
- 20.2 In the event that a dispute arises concerning these undertakings, Ardonagh and Bennetts undertake to submit to the courts of England and Wales.

21 TERMINATION

- 21.1 Ardonagh and Bennetts recognise and acknowledge that these undertakings shall be in force until such time as they are varied, released or superseded

under the Act.

- 21.2 Ardonagh and Bennetts recognise and acknowledge that the variation, release or supersession of these undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, release or supersession.

22 INTERPRETATION

- 22.1 The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

- 22.2 References in these undertakings to any English law term for any legal status, interest, concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English law term.

- 22.3 In these undertakings the word "including" shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word and the word "include" and its derivatives shall be construed accordingly.

- 22.4 For the purposes of these undertakings:

“the Act” means the Enterprise Act 2002;

“Affiliate” a person is an affiliate of another person if they or their respective enterprises would be regarded as being under common control for the purposes of section 26 of the Act;

“Approved Timetable” means the timetable notified by the CMA to Ardonagh in accordance with paragraph 15.1;

“Ardonagh” means The Ardonagh Group Limited, registered at 3rd Floor, 44 Esplanade St Helier, Jersey, JE4 9WG with company number 117710;

“Ardonagh UK” means Ardonagh Midco 2 Plc registered at 1 Minster Court, London, UK, ST6 2BA with company number 10679958;

“Ardonagh Business” means the business of Ardonagh and its Group of Interconnected Bodies Corporate excluding the Divestment Business;

“Associated Person” means a person or persons associated with Ardonagh within the meaning of section 127(4) of the Act and includes any Subsidiary of such a person or persons;

“Atlanta” means Atlanta Investments Holdings C Limited with registered

address at Autonet Insurance, Nile Street, Burslem, UK, ST6 2BA and company number 12371381;

“**Bennetts**” means Bennetts Motorcycling Services Limited (company number 11453343) a company active in the distribution of motorcycle insurance in the UK;

“**Business**” has the meaning given by section 129(1) and (3) of the Act;

“**CMA**” means the Competition and Markets Authority or any successor body;

“**Confidential Information**” means any business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature;

“**Control**” shall be construed in accordance with section 26 of the Act, and in the case of a body corporate, a person shall be deemed to Control it if he holds, or has an interest in, shares of that body corporate amounting to 10 per cent or more of its issued share capital or carrying an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

“**Decision**” means the CMA’s decision under section 22 of the Act dated 16 September 2020 in connection with the Merger;

“**Divestiture Trustee**” means the person appointed pursuant to paragraph 7.4, paragraph 7.5 or paragraph 7.7 to carry out the Divestiture Trustee Functions;

“**Divestiture Trustee Functions**” means the functions set out in paragraph 9;

“**Divestment Business**” means the business of Bennetts and its subsidiaries;

“**Divestment Period**” means the period of time determined by the CMA and notified in writing to Ardonagh by the CMA, but which shall not, in any event be a date earlier than the date [X] after the effective date of these undertakings (defined in paragraph 1.1 above);

“**Enterprise**” has the meaning given in section 129(1) of the Act;

“**FCA**” means the Financial Conduct Authority or any successor body;

“**Final Disposal**” means the divestiture of the Divestment Business to a purchaser approved by the CMA;

“**Group of Interconnected Bodies Corporate**” has the meaning given in section 129(2) of the Act; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as

constituted from time to time;

“Interest” includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders’ meetings but does not include a contract to acquire shares in the future; and for this purpose "an interest in shares" includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

“Key Staff” means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

“the Merger” means the completed acquisition by Ardonagh Group Limited of Bennetts Motorcycling Services Limited;

“Proposed Purchaser” means any proposed purchaser for the Divestment Business;

“Relevant Market” means the distribution of motorcycle insurance to private customers in the UK;

“Specified period” means the period beginning on the effective date of these undertakings, as set out in paragraph 1.1 above and terminating on **Final Disposal**;

“Subsidiary” shall be construed in accordance with section 1159 of the Companies Act 2006 (as amended), unless otherwise stated;

“UK” means the United Kingdom of Great Britain and Northern Ireland;

“Working Day” means any day of the week other than a Saturday or a Sunday or any day that is a public holiday in England and Wales; and unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF ARDONAGH GROUP LIMITED

Signature

Name

Title

Date

FOR AND ON BEHALF OF BENNETTS MOTORCYCLING SERVICES LIMITED

Signature

Name

Title

Date

DATE ACCEPTED BY THE CMA:

Annex 1: List of derogations granted under the IEO

- Derogation 13 November 2020 (18.11.20)
- Derogation 29 October 2020 (6.11.20)
- Derogation 9 September 2020 (5.10.20)
- Derogation 9 September 2020 (5.10.20)
- Derogation 9 September 2020 (14.9.20)
- Derogation 24 August 2020 (14.9.20)
- Derogation 19 August 2020 (14.9.20)

Annex 2A: Compliance statement for [Ardonagh/Ardonagh UK/Atlanta]

I [insert name] confirm on behalf of [Ardonagh/Ardonagh UK/Atlanta] that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) [Ardonagh/Ardonagh UK/Atlanta] has complied with the undertakings given to the CMA in relation to the Merger on [Date] (the Undertakings).
 - (b) [Ardonagh/Ardonagh UK/Atlanta]'s subsidiaries have also complied with the Undertakings.
2. Except with the prior written consent of the CMA:
 - (a) No action has been taken by [Ardonagh/Ardonagh UK/Atlanta] that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Divestment Business with the Ardonagh Business;
 - (ii) transfer the ownership or control of the Ardonagh Business or the Divestment Business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Divestment Business or the Ardonagh Business to compete independently in any of the markets affected by the transaction.
 - (b) The Divestment Business has been carried on separately from the Ardonagh Business and the Divestment Business's separate sales or brand identity has been maintained.
 - (c) The Divestment Business and the Ardonagh Business have been maintained as a going concern and sufficient resources have been made available for the development of the Divestment Business and the Ardonagh Business, on the basis of their respective pre-Merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Divestment Business or the Ardonagh Business, except in the ordinary course of business.
 - (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Divestment Business and the Ardonagh Business have been maintained and preserved.

- (f) Except in the ordinary course of business for the separate operation of the two businesses:
- (i) all of the assets of the Divestment Business and the Ardonagh Business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Divestment Business or the Ardonagh Business have been disposed of; and
 - (iii) no interest in the assets of the Divestment Business or the Ardonagh Business has been created or disposed of.
- (g) There has been no integration of the information technology of the Bennetts or Ardonagh Businesses, and the software and hardware platforms of the Divestment Business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to 7 August 2020, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Divestment Business have been carried out by the Divestment Business alone and, for the avoidance of doubt, the Ardonagh Business has not negotiated on behalf of the Divestment Business (and vice versa) or entered into any joint agreements with the Divestment Business (and vice versa).
- (i) All existing contracts of the Divestment Business and the Ardonagh Business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to 7 August 2020.
- (j) No changes have been made to Key Staff of the Divestment Business or the Ardonagh Business.
- (k) No Key Staff have been transferred between the Divestment Business and the Ardonagh Business.
- (l) All reasonable steps have been taken to encourage all Key Staff to remain with the Divestment Business and the Ardonagh Business.
- (m) Except as permitted by the Undertakings, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Divestment Business (or any of its employees, directors, agents or affiliates) to the Ardonagh Business (or any of its employees, directors, agents or affiliates), or vice versa.

(n) Except as listed in paragraph (o) below, there have been no:

- (i) Key Staff that have left or joined the Divestment Business or the Ardonagh Business;
- (ii) interruptions of the Divestment Business or the Ardonagh Business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
- (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Divestment Business or the Ardonagh Business;
or
- (iv) substantial changes in the Bennetts or Ardonagh Business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

- 3. [Ardonagh/Ardonagh UK/Atlanta] and its subsidiaries remain in full compliance with the Undertakings and will continue actively to keep the CMA informed of any material developments relating to the Divestment Business or the Ardonagh Business in accordance with paragraph 12.3 of the Undertakings.

Interpretation

- 4. Terms defined in the Undertakings have the same meaning in this compliance statement.

I understand that:

it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)

Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF [ARDONAGH/ARDONAGH UK/ATLANTA]

Signature

Name

Title

Date

Annex 2B: Compliance statement for Bennetts

I [insert name] confirm on behalf of Bennetts that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Bennetts has complied with the undertakings given to the CMA in relation to the Merger on [Date] (the Undertakings).
 - (b) Bennetts' subsidiaries have also complied with this Undertakings.
2. Except with the prior written consent of the CMA:
 - (a) No action has been taken by Bennetts that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Divestment Business with the Ardonagh Business;
 - (ii) transfer the ownership or control of the Ardonagh Business or the Divestment Business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Divestment Business or the Ardonagh Business to compete independently in any of the markets affected by the transaction.
 - (b) The Divestment Business has been carried on separately from the Ardonagh Business and the Divestment Business's separate sales or brand identity has been maintained.
 - (c) The Divestment Business has been maintained as a going concern and sufficient resources have been made available for the development of the Divestment Business on the basis of Bennetts' pre-Merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Divestment Business, except in the ordinary course of business.
 - (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Divestment Business have been maintained and preserved.
 - (f) Except in the ordinary course of business for the separate operation of the two businesses:

- (i) all of the assets of the Divestment Business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Divestment Business have been disposed of; and
 - (iii) no interest in the assets of the Divestment Business has been created or disposed of.
- (g) There has been no integration of the information technology of the Bennetts or Ardonagh Businesses, and the software and hardware platforms of the Divestment Business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to 7 August 2020, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Divestment Business have been carried out by the Divestment Business alone and, for the avoidance of doubt, the Ardonagh Business has not negotiated on behalf of the Divestment Business (and vice versa) or entered into any joint agreements with the Divestment Business (and vice versa).
- (i) All existing contracts of the Divestment Business and the Ardonagh Business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to 7 August 2020.
- (j) No changes have been made to Key Staff of the Divestment Business.
- (k) No Key Staff have been transferred between the Divestment Business and the Ardonagh Business.
- (l) All reasonable steps have been taken to encourage all Key Staff to remain with the Divestment Business.
- (m) Except as permitted by the Undertakings, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Divestment Business (or any of its employees, directors, agents or affiliates) to the Ardonagh Business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:
 - (i) Key Staff that have left or joined the Divestment Business;

- (ii) interruptions of the Divestment Business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Divestment Business; or
 - (iv) substantial changes in the Divestment Business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*
3. Bennetts and its subsidiaries remain in full compliance with the Undertakings and will continue actively to keep the CMA informed of any material developments relating to the Divestment Business or the Ardonagh Business in accordance with paragraph 12.3 of the Undertakings.

Interpretation

4. Terms defined in the Undertakings have the same meaning in this compliance statement.

I understand that:

it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)

Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF BENNETTS

Signature

Name

Title

Date