

**ACQUISITION BY CHC GROUP LLC OF BABCOCK MISSION
CRITICAL SERVICES OFFSHORE LIMITED, BABCOCK OFFSHORE
SERVICES AUSTRALASIA PTY LTD, AND BABCOCK DENMARK
A/S**

**Initial Enforcement Order made by the
Competition and Markets Authority pursuant to
section 72(2) of the Enterprise Act 2002 (the Act)**

Whereas:

- (a) the Competition and Markets Authority (**CMA**) has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in CHC Scotia Limited (**CHC UK**), Lloyd Helicopter Services Pty Ltd (**CHC Australia**) and CHC Denmark ApS (**CHC Denmark**) ceasing to be distinct from Babcock Mission Critical Services Offshore Limited (**Babcock Offshore UK**), Babcock Offshore Services Australasia Pty Ltd (**Babcock Offshore Australia**) and Babcock Denmark A/S (**Babcock Offshore Denmark**).
- (b) the CMA is considering whether to make a reference under section 22 or 33 of the Act;
- (c) CHC UK and CHC Denmark are wholly owned by EEA Helicopter Operations B.V. (**EHOB**), which is jointly owned by Mr Ivan Levy and CHC Group LLC (**CHC**), and CHC Australia is wholly owned by CHC.
- (d) the CMA wishes to ensure that no action is taken pending final determination of any reference under sections 22 or 33 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (e) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia, and Babcock Offshore

Denmark (**Order**). Babcock Offshore UK, Babcock Offshore Australia, and Babcock Offshore Denmark are henceforth referred to collectively as **Babcock Offshore**.

Commencement, application and scope

1. This Order commences on the commencement date: being the date of completion of the transaction.
2. This Order applies to CHC, EHOB, CHC UK and Babcock Offshore.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige CHC, EHOB, CHC UK or Babcock Offshore to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.
4. This Order does not prohibit the completion of the transaction provided that CHC, EHOB, CHC UK and Babcock Offshore observe the restrictions set out below.

Management of the CHC business and Babcock Offshore business until determination of proceedings

5. Except with the prior written consent of the CMA, CHC, EHOB, CHC UK and Babcock Offshore shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Babcock Offshore business with the CHC business;
 - (b) transfer the ownership or control of the Babcock Offshore business or the CHC business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Babcock Offshore business or the CHC business to compete independently in any of the markets affected by the transaction.
6. Further and without prejudice to the generality of paragraph 5 and subject to paragraphs 3 and 4, CHC, EHOB, CHC UK and Babcock Offshore shall at all times during the specified period procure that, except with the prior written consent of the CMA:

- (a) the Babcock Offshore business is carried on separately from the CHC business and the Babcock Offshore business's separate sales or brand identity is maintained;
- (b) the Babcock Offshore business and the CHC business are maintained as a going concern and sufficient resources are made available for the development of the Babcock Offshore business and the CHC 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 Babcock Offshore business or the CHC business;
- (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Babcock Offshore business and the CHC business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Babcock Offshore business or the CHC business are disposed of; and
 - (iii) no interest in the assets of the Babcock Offshore business or the CHC business is created or disposed of;
- (f) there is no integration of the information technology of the Babcock Offshore or CHC businesses, and the software and hardware platforms of the Babcock Offshore business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Babcock Offshore business will be carried out by the Babcock Offshore business alone and for the avoidance of doubt the CHC business will not negotiate on behalf of the Babcock Offshore business (and vice versa) or enter into any joint agreements with the Babcock Offshore business (and vice versa);

- (h) all existing contracts of the Babcock Offshore business and the CHC business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Babcock Offshore business or CHC business;
- (j) no key staff are transferred between the Babcock Offshore business and the CHC business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Babcock Offshore business and the CHC business; and
- (l) 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 shall pass, directly or indirectly, from the Babcock Offshore business (or any of its employees, directors, agents or affiliates) to the CHC business (or any of its employees, directors, agents or affiliates) or vice versa, except where strictly necessary in the ordinary course of business (including for example, where required for compliance with external regulatory and/or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

7. CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark shall procure that each of their subsidiaries, and in the case of CHC also each of its affiliates, complies with this Order as if the Order had been issued to each of them.
8. CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark and any of their subsidiaries, and in the case of CHC also any of its affiliates, with this Order. In particular, on the date falling two weeks from commencement of the Order and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter), the Chief Executive Officers of each of

CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia, and Babcock Offshore Denmark, or other persons on behalf of CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia, and Babcock Offshore Denmark, as agreed with the CMA shall, on behalf of each of CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia, and Babcock Offshore Denmark provide a statement to the CMA in the form set out in the Annexes to this Order confirming compliance with this Order.

9. At all times, CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark shall each actively keep the CMA informed of any material developments relating to the Babcock Offshore business or the CHC business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Babcock Offshore business or the CHC business;
 - (b) any interruption of the Babcock Offshore or CHC 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 won or lost or substantial changes to the customer contracts for the Babcock Offshore or CHC business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Babcock Offshore or CHC business's contractual arrangements or relationships with key suppliers.
10. If CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark have any reason to suspect that this Order might have been breached they shall immediately notify the CMA and any monitoring trustee that CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark may be directed to appoint under paragraph 11.
11. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
12. CHC, EHOB, CHC UK, Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as

may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

13. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.

14. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'Babcock Offshore' means Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark in combination;

'the Babcock Offshore business' means the business of Babcock Offshore UK, Babcock Offshore Australia, Babcock Offshore Denmark and their subsidiaries carried on as at the commencement date;

'Babcock Offshore Australia' means Babcock Offshore Services Australasia Pty Ltd, a company registered at Level 9/70 Franklin St, Adelaide SA 5000, Australia, with company number 141024606;

'Babcock Offshore Denmark' means Babcock Denmark A/S, a company registered at c/o Esbjerg Business Park, John Tranums Vej 23, 6705 Esbjerg Ø, Denmark, with company number 41526211;

'Babcock Offshore UK' means Babcock Mission Critical Services Offshore Limited, a company registered at 33 Wigmore Street, London W1U 1QX, UK, with company number 04278474;

'business' has the meaning given by section 129(1) and (3) of the Act;

'CHC' means CHC Group LLC, a company registered in the Cayman Islands and regulated by the United States Security and Exchange Commission, which identifies it under the Central Index Key of 0001692971;

'CHC business' means the business of CHC and its subsidiaries, and the business of EHOB and its subsidiaries but excluding for the avoidance of

doubt the Babcock Offshore business carried on as at the commencement date;

'CHC Australia' means Lloyd Helicopter Services Pty Ltd, a company registered at Level 4, 1060 Hay Street, West Perth, WA 6005, Australia, with company number 058277491;

'CHC Denmark' means CHC Denmark A/S, a company registered at C/O United Tax Network, Hobrovej 42C, 3., 9000 Aalborg, Denmark, with company number 21356778;

'CHC UK' means CHC Scotia Limited, a company registered at C/O CMS Cameron McKenna LLP, 78 Cannon Street, London EC4A 6AF, UK, with company number 00936569;

'CHC UK business' means the business of CHC UK and its subsidiaries, excluding for the avoidance of doubt the Babcock Offshore business carried on as at the commencement date;

'commencement date' means the date of completion;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of sections 35 or 36 of the Act;

'EHOB' means EEA Helicopter Operations B.V., a company registered at Luchthavenweg 18, Den Helder, 1786PP, Netherlands, with company number 34306715;

'EHOB business' means the business of EHOB and its subsidiaries, and EHOB and its subsidiaries (including, for the avoidance of doubt CHC UK) but excluding for the avoidance of doubt the Babcock Offshore business carried on as at the commencement date;

'Mr Ivan Levy' refers to Mr Ivan Levy of Inselhofstrasse, 3, 8008 Zurich, Switzerland;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by the Babcock Offshore business or the CHC business and does not include matters involving significant changes to

the organisational structure or related to the post-merger integration of the Babcock Offshore business and the CHC business;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, means any company in which a legal person (a) holds a majority of the voting rights, or (b) is a member and has the right to appoint or remove a majority of board of directors, or (c) is a member and controls alone, pursuant to an agreement with other members, a majority of the voting rights;

'the transaction' means the transaction as defined in the Share Purchase Agreement dated 27 February 2021, by which: (i) Babcock Mission Critical Services Design and Completions Limited will sell all of the issued shares of Babcock Offshore UK to CHC UK; (ii) Babcock Australia Holdings Pty Ltd will sell all of the issued shares of Babcock Offshore Australia to CHC Australia; and (iii) Babcock Scandinavian Holdings AS will sell all of the issued shares of Babcock Offshore Denmark to CHC Denmark, leading to CHC UK, CHC Denmark and CHC Australia and Babcock Offshore UK, Babcock Offshore Australia and Babcock Offshore Denmark ceasing to be distinct within the meaning of section 23 of the Act;

'the two businesses' means the CHC business and the Babcock Offshore business;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Lasse Burmester
Assistant Director, Mergers

Compliance statement for CHC Group LLC

I [insert name] confirm on behalf of CHC Group LLC that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) CHC Group LLC has complied with the Order made by the CMA in relation to the transaction on [insert date of this Order] (the Order).
 - (b) CHC Group LLC's subsidiaries and affiliates, including EEA Helicopter Operations B.V. and its subsidiaries, have also complied with this Order.
2. Subject to paragraphs 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by CHC Group LLC 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 Babcock Offshore business with the CHC business;
 - (ii) transfer the ownership or control of the CHC business or the Babcock Offshore business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Babcock Offshore business or the CHC business to compete independently in any of the markets affected by the transaction.
 - (b) The Babcock Offshore business has been carried on separately from the CHC business and the Babcock Offshore's business's separate sales or brand identity has been maintained.
 - (c) The Babcock Offshore business and the CHC business have been maintained as a going concern and sufficient resources have been made available for the development of the Babcock Offshore business and CHC 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 Babcock Offshore business or the CHC 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 Babcock Offshore business and the CHC 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 Babcock Offshore business and the CHC 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 Babcock Offshore business or the CHC business have been disposed of; and
 - (iii) no interest in the assets of the Babcock Offshore business or the CHC business has been created or disposed of.
- (g) There has been no integration of the information technology of the Babcock Offshore or CHC businesses, and the software and hardware platforms of the Babcock Offshore business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, 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 Babcock Offshore business have been carried out by the Babcock Offshore business alone and, for the avoidance of doubt, the CHC business has not negotiated on behalf of the Babcock Offshore business (and vice versa) or entered into any joint agreements with the Babcock Offshore business (and vice versa).
- (i) All existing contracts of the Babcock Offshore business and the CHC business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Babcock Offshore business or the CHC business.
- (k) No key staff have been transferred between the Babcock Offshore business and the CHC business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Babcock Offshore business and the CHC business.

(m) Except as permitted by the Order, 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 Babcock Offshore business (or any of its employees, directors, agents or affiliates) to the CHC 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 Babcock Offshore business or the CHC business;

(ii) interruptions of the Babcock Offshore business or the CHC 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 Babcock Offshore business or the CHC business; or

(iv) substantial changes in the Babcock Offshore or CHC business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. CHC Group LLC's subsidiaries and affiliates, including EEA Helicopter Operations B.V. and its subsidiaries, remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Babcock Offshore or the CHC business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order 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 **fines, 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 CHC GROUP LLC

Signature

Name

Title

Date

Compliance statement for EEA Helicopter Operations B.V./CHC Scotia Limited

I [insert name] confirm on behalf of EEA Helicopter Operations B.V./CHC Scotia Limited that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) EEA Helicopter Operations B.V./CHC Scotia Limited has complied with the Order made by the CMA in relation to the transaction on [insert date of this Order] (the Order).
 - (b) EEA Helicopter Operations B.V./CHC Scotia Limited's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by EEA Helicopter Operations B.V./CHC Scotia Limited 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 Babcock Offshore business with the EHOB business/CHC UK business;
 - (ii) transfer the ownership or control of the EHOB business/CHC UK business or the Babcock Offshore business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Babcock Offshore business or the EHOB business/CHC UK business to compete independently in any of the markets affected by the transaction.
 - (b) The Babcock Offshore business has been carried on separately from the EHOB business/CHC UK business and the Babcock Offshore business's separate sales or brand identity has been maintained.
 - (c) The Babcock Offshore business and the EHOB business/CHC UK business have been maintained as a going concern and sufficient

resources have been made available for the development of the Babcock Offshore business and the EHOB business/CHC UK 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 Babcock Offshore business or the EHOB business/CHC UK 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 Babcock Offshore business and the EHOB business/CHC UK 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 Babcock Offshore business and the EHOB business/CHC UK 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 Babcock Offshore business or the EHOB business/CHC UK business have been disposed of; and
 - (iii) no interest in the assets of the Babcock Offshore business or the EHOB business/CHC UK business has been created or disposed of.
- (g) There has been no integration of the information technology of the Babcock Offshore or the EHOB/CHC UK businesses, and the software and hardware platforms of the Babcock Offshore business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, 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 Babcock Offshore business have been carried out by the Babcock Offshore business alone and, for the avoidance of doubt, the EHOB business/CHC UK business has not negotiated on behalf of the Babcock Offshore business (and vice versa) or entered into any joint agreements with the Babcock Offshore business (and vice versa).
- (i) All existing contracts of the Babcock Offshore business and the EHOB business/CHC UK business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.

- (j) No changes have been made to key staff of the Babcock Offshore business or the EHOB business/CHC UK business.
- (k) No key staff have been transferred between the Babcock Offshore business and the EHOB business/CHC UK business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Babcock Offshore business and the EHOB business/CHC UK business.
- (m) Except as permitted by the Order, 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 Babcock Offshore business (or any of its employees, directors, agents or affiliates) to the EHOB business/CHC UK 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 Babcock Offshore business or the EHOB business/CHC UK business;
 - (ii) interruptions of the Babcock Offshore business or the EHOB business/CHC UK 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 Babcock Offshore business or the EHOB business/CHC UK business; or
 - (iv) substantial changes in the Babcock Offshore or the EHOB business/CHC UK business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. EEA Helicopter Operations B.V/CHC Scotia Limited and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Babcock Offshore or the EHOB business/CHC UK business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order 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 EEA HELICOPTER OPERATIONS B.V./CHC SCOTIA LIMITED

Signature

Name

Title

Date

**Compliance statement for Babcock Mission Critical Services
Offshore Limited/Babcock Offshore Services Australasia Pty
Ltd/Babcock Denmark A/S**

I [insert name] confirm on behalf of Babcock Mission Critical Services Offshore Limited/Babcock Offshore Services Australasia Pty Ltd/Babcock Denmark A/S that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Babcock Mission Critical Services Offshore Limited/Babcock Offshore Services Australasia Pty Ltd/Babcock Denmark A/S has complied with the Order made by the CMA in relation to the transaction on [insert date of this Order] (the Order).
 - (b) Babcock Mission Critical Services Offshore Limited/Babcock Offshore Services Australasia Pty Ltd/Babcock Denmark A/S's subsidiaries have also complied with this Order.
2. Subject to paragraphs 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Babcock Mission Critical Services Offshore Limited/Babcock Offshore Services Australasia Pty Ltd/Babcock Denmark A/S 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 Babcock Offshore business with the CHC business;
 - (ii) transfer the ownership or control of the CHC business or the Babcock Offshore business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Babcock Offshore business or the CHC business to compete independently in any of the markets affected by the transaction.
 - (b) The Babcock Offshore business has been carried on separately from the CHC business and the Babcock Offshore business's separate sales or brand identity has been maintained.

- (c) The Babcock Offshore business and the CHC business have been maintained as a going concern and sufficient resources have been made available for the development of the Babcock Offshore business and CHC 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 Babcock Offshore 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 Babcock Offshore 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 Babcock Offshore 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 Babcock Offshore business have been disposed of; and
 - (iii) no interest in the assets of the Babcock Offshore business has been created or disposed of.
- (g) There has been no integration of the information technology of the Babcock Offshore or CHC businesses, and the software and hardware platforms of the Babcock Offshore business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, 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 Babcock Offshore business have been carried out by the Babcock Offshore business alone and, for the avoidance of doubt, the CHC business has not negotiated on behalf of the Babcock Offshore business (and vice versa) or entered into any joint agreements with the Babcock Offshore business (and vice versa).
- (i) All existing contracts of the Babcock Offshore business and the CHC business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.

- (j) No changes have been made to key staff of the Babcock Offshore business.
- (k) No key staff have been transferred between the Babcock Offshore business and the CHC business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Babcock Offshore business.
- (m) Except as permitted by the Order, 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 Babcock Offshore business (or any of its employees, directors, agents or affiliates) to the CHC 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 Babcock Offshore business;
 - (ii) interruptions of the Babcock Offshore 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 Babcock Offshore business; or
 - (iv) substantial changes in the Babcock Offshore business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Babcock Mission Critical Services Offshore Limited/Babcock Offshore Services Australasia Pty Ltd/Babcock Denmark A/S and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Babcock Offshore business or the CHC business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order 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 **fines, 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 BABCOCK MISSION CRITICAL SERVICES
OFFSHORE LIMITED/BABCOCK OFFSHORE SERVICES AUSTRALASIA PTY
LTD/BABCOCK DENMARK A/S

Signature

Name

Title

Date