

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

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 27 August 2021

Completed acquisition by Dye & Durham (UK) Limited of TM Group (UK) Limited (the Merger)

Dear [✂],

We refer to your submissions dated 2, 16 and 24 September 2021, and 7 October 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 27 August 2021 (as varied on 30 September 2021, the '**Initial Order**'). Unless otherwise stated, the terms defined in the Initial Order have the same meaning in this letter. Further, in this letter:

Brady refers to Brady & Co (Law Searches) Limited (Registration number 265079) and its subsidiaries, which are principally active in Ireland.

D&D UK business refers to the business of Dye & Durham (UK) Limited and its direct and indirect subsidiaries, carried on as at the commencement date of the Initial Order, but excluding Brady and the TMG business.

D&D Non-UK business refers to the business of Dye & Durham Limited and its subsidiaries carried on outside the UK, including Brady, and as identified in Annex 1, but excluding the D&D UK business and all UK-related assets.

UK-related assets refers to any individuals, business activities, assets and contracts of the D&D Non-UK business (including, but not limited to the items identified at paragraphs 2(a) to 2(e) of this consent letter), which are necessary for the effective functioning of the D&D UK business, as at the commencement date of the Initial Order.

Under the Initial Order, save for written consent by the CMA, Dye & Durham Limited ('**D&D**') and Dye & Durham (UK) Limited ('**D&D UK**') are required to hold separate the

D&D business from the TM Group (UK) Limited (**TMG**) business (together the **Parties**) and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, D&D may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order

D&D has sought the CMA's consent to limit the scope of paragraphs 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order so that they only apply to the D&D UK business (thereby excluding the D&D Non-UK business from the abovementioned provisions of the Initial Order).

D&D submits that it has a decentralised management model, which delegates day-to-day authority down to the country lead. Accordingly, D&D UK assumes responsibility for managing the D&D UK business in the UK and Ireland with a high degree of autonomy from central management. The D&D Non-UK business is operated separately by entities in Canada, Australia and Ireland which are entirely legally and functionally distinct from D&D UK. Further, D&D submits that the D&D Non-UK business operates solely in Canada, Australia and Ireland and does not operate in, or supply products or services to the UK market.¹ D&D submits that D&D UK and the D&D Non-UK business have no common customers, suppliers, contracts and/or relationships and therefore the competitive capability of D&D UK is not dependent on the D&D Non-UK business. D&D states that the D&D UK business is not reliant upon any tangible or intangible assets owned by the D&D Non-UK business in order to carry on its day-to-day business in the UK. In addition, the D&D UK business has its own finance and operational functions but it does have access to, and uses, certain ancillary back office central shared services of the D&D Non-UK business.

¹ The only exception to this is GlobalX (UK) Limited (**Global X UK**), which is a wholly-owned subsidiary of the D&D Australian business, GlobalX Information Pty Ltd. For the avoidance of doubt, Global X UK will remain within the scope of the Initial Order.

Based on D&D's representations, the CMA understands that:

- (a) D&D's President UK & Ireland ([X]) reports into D&D's Global Chief Operating Officer ([X]) who provides high level oversight and strategic input on operational matters in respect of the D&D UK business;
- (b) Prior to the imposition of the Initial Order, D&D's UK Chief Financial Officer (**CFO**) reported to D&D's Global CFO ([X]) for financial reporting requirements. Given that D&D UK's CFO left the business on 17 September 2021, [X] has notionally taken over this role for the period that the Initial Order is in place. However, [X] has delegated all of the day-to-day D&D UK CFO responsibilities to [X], D&D UK's financial controller;
- (c) Certain shared services (limited to Finance, IT, Corporate Development and Legal) are provided to the D&D UK business by the D&D Non-UK business;
- (d) A key input to the D&D UK business is the global provision by D&D's Non-UK business of IT hosting and software solutions on which the D&D UK business operates:
 - While hosting is provided across D&D on a global basis, D&D submits that the individual country hosting solutions are separate by virtue of their design and the D&D UK business operates on the basis of its own IT hosting contract. Further, there are a number of providers of such hosting solutions and D&D does not envisage there being any significant costs and resources associated with any separation of the IT hosting solution for the D&D UK business (should this be required).
 - In relation to shared software solutions, these are provided to D&D by large enterprise IT companies. D&D submits that it would be straightforward for these suppliers to separate out the software contract for the D&D UK business from D&D's global arrangements, if required.
- (e) D&D's global brand ("Dye & Durham") is owned by D&D and licensed to D&D UK. All other brands and intellectual property rights used by the D&D UK business are owned by the respective entities within the D&D UK business; and
- (f) The D&D UK business has its own engineering and product team who carry out all software and new product development for the D&D UK business. Therefore, the D&D UK business does not rely in any way on the D&D Non-UK business' platform and related support.

On the basis of D&D's submissions, the CMA understands that the viability and competitive capability of the D&D UK business on a standalone basis is not reliant on the D&D Non-UK business (other than certain UK-related assets).

The CMA therefore consents to a derogation from the Initial Order to limit the scope of paragraphs 5(b), 5(c), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order so that they only apply to the D&D UK business and UK-related assets, strictly on the basis that:

- (i) all D&D individuals who are employed by D&D's Non-UK business but who hold any commercial, strategic or management responsibilities in the D&D UK business (in particular, [X] and [X]) will remain within the scope of the Initial Order;
- (ii) All UK-related assets will remain within the scope of the Initial Order;
- (iii) This derogation will not cause disruption to the D&D UK business nor impact its ongoing operation or viability on a standalone basis; and
- (iv) D&D has disclosed all relevant links between the D&D UK business and D&D Non-UK business, such that the granting of this derogation will not prejudice a CMA reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Alex Knight
Assistant Director, Remedies, Business and Financial Analysis
26 October 2021

Annex 1 – D&D Non-UK business

Canada

Dye & Durham Limited
Dye & Durham Corporation
Courthouse Solutions Inc.
Distinct Credit Services Ltd.
Dye & Durham Holdings Inc.
Dye & Durham Acquisition Limited
Do Process LP1
Lex Cortex Ltd.
Access Point Holdings Inc.
Do Process Enterprises Inc.
Access Point Information Canada Limited
2028505 Ontario Ltd.

Australia

Dye & Durham Holdings Pty Ltd
Dye & Durham Australia Pty Ltd
Espreon Pty Limited⁴
GlobalX Information Pty Limited (but excluding GlobalX (UK) Limited)
Dye & Durham Property Pty Limited
Dye & Durham Conveyancing Pty Ltd
Open Practice Solutions Pty Limited
GlobalX Pty Limited
GlobalX Terrain Pty Ltd
The Search People Pty Ltd
Land Plans Exchange Pty Limited
Land Data Drawings & Exchange Pty Limited
ID Secure Pty Limited
GlobalX Legal P/L
Searchlight Technology P/L
Legal First P/L

Ireland

Brady & Co (Law Searchers) Ltd
Hibernian Legal (International) Ltd
Rochford Brady Legal Services Ltd
LawLink (UK) Ltd.