

**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 5 November 2021.

Completed acquisition by IAA, Inc. ('IAA') of SYNETIQ Holdings Limited ('SYNETIQ') (the 'Transaction')

We refer to your submissions dated 6, 9 and 13 December 2021 requesting that the CMA consents to derogations to the Initial Enforcement Order of 5 November 2021 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, IAA, IAA International Holdings Limited ('**IAA UK**') and SYNETIQ are required to hold separate the IAA business from the SYNETIQ business 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, IAA, IAA UK and SYNETIQ may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), 5(c) and 5(l) of the Initial Order

IAA submits that in order to [X] (pursuant to paragraph 5(k) of the Initial Order), IAA needs to hold discussions with [X] to [X]. IAA notes that the [X] on the condition that the Transaction is approved by the CMA. IAA submits that [X].

IAA further submits that [X].

The CMA understands that, in order for [X], it is critical that certain limited commercially sensitive and confidential information be shared so as to allow IAA and SYNETIQ to reach an agreement as to the terms of [X].

IAA is therefore seeking a derogation from paragraphs 5(a), 5(c) and 5(l) of the Initial Order to permit:

- (a) SYNETIQ to provide certain limited commercially sensitive and confidential information concerning [X] to identified individuals within the IAA business for the purposes of [X];
- (b) [X] to hold discussions with IAA on the terms of [X]; and
- (c) IAA and SYNETIQ to communicate [X] to [X].

On the basis of IAA's representations, the CMA consents to a derogation from paragraphs 5(a), 5(c) and 5(l) of the Initial Order strictly on the basis that:

- (i) SYNETIQ information provided to IAA pursuant to this derogation will be limited to what is strictly necessary for SYNETIQ and IAA to jointly agree [X], and will be limited to [X]. For the avoidance of doubt, no other information will be exchanged between IAA and SYNETIQ without the prior written consent of the CMA (which can be provided by email);
- (ii) the [X] will only be provided to the following individuals at IAA for whom it is strictly necessary to see such information in order to [X] (together, the **'Designated Individuals'**);
- (iii) the Designated Individuals do not hold a commercial or strategic role within the IAA business;
- (iv) save for the purpose described in this derogation, the Designated Individuals will not use [X] to intervene in the management or operations of the SYNETIQ business, or for any other purpose;
- (v) the Designated Individuals must not share [X] received under this derogation with any other individuals within the IAA business, or consult with any other individuals within the IAA business in relation to [X] without the CMA's prior written consent (which can be provided via email);
- (vi) the Designated Individuals shall enter into non-disclosure agreements in a form approved by the CMA;
- (vii) [X] unless the terms of each have been made available to and approved by the CMA;
- (viii) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within IAA from accessing the information shared with the Designated Individuals for the purposes of this derogation;
- (ix) no changes to the Designated Individuals are permitted without the prior

written consent of the CMA (which can be provided by email);

- (x) should the Transaction be prohibited or IAA be required to divest all or part of the SYNETIQ business, IAA will ensure that any records or copies of any commercially sensitive or confidential information received from SYNETIQ for the purposes of this derogation shall be returned to SYNETIQ or otherwise destroyed (except to the extent otherwise required by applicable law or regulation);
- (xi) this derogation will not result in any integration between the IAA business and the SYNETIQ business, and will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Yours sincerely,

Imogen Ditchfield

Assistant Director, Mergers

17 December 2021

Annex 1 – [REDACTED]

- [REDACTED]