

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

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 5 November 2021.

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

We refer to your emails of 5 and 7 January 2022 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, SYNETIQ may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order

SYNETIQ submits that, on [X], handed in [X] resignation and that, despite reasonable steps to encourage [X] to remain with the SYNETIQ business, [X] and SYNETIQ consider that [X] employment should terminate.

The CMA understands that [X] falls within the definition of key staff in the Initial Order.

In order to ensure the ongoing, viable and independent operation of the SYNETIQ business, SYNETIQ seeks a derogation from the Initial Order to:

1. terminate [X] employment at SYNETIQ such that [X];
2. recruit an appropriate replacement with the relevant experience required to assume the role of [X] at SYNETIQ and the associated responsibilities within the SYNETIQ business;
3. appoint such replacement [X] as a direct replacement for the position to be vacated by [X]; and
4. until such replacement is appointed, reallocate [X] responsibilities among [X].

The CMA consents to a derogation to paragraphs 5(c) and 5(i) of the Initial Order permitting the above changes, strictly on the basis that:

- i. SYNETIQ has taken all reasonable steps to encourage [X] to remain with the SYNETIQ business;
- ii. any replacement has the necessary capacity and experience to take on [X] responsibilities [X] such that this derogation will not affect the ongoing operation of the SYNETIQ business, and seeks to preserve its viability and ability to compete independently;
- iii. [X] to whom [X] role will be reallocated [X] the necessary capacity and experience to take on [X] responsibilities until a replacement is appointed, such that the derogation will not affect the ongoing operation of the SYNETIQ business, and seeks to preserve its viability and ability to compete independently;
- iv. no other organisational or key staff changes will be made as a result of [X] departure;
- v. for the avoidance of doubt, none of [X] responsibilities will be redistributed to IAA personnel;
- vi. this derogation will not lead to any integration of the IAA and SYNETIQ businesses; and
- vii. this derogation 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

18 January 2022