

**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 (the ‘Act’) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (‘CMA’) on 27 August 2021 as varied on 30 September 2021

Completed acquisition by Dye & Durham Limited, through its subsidiary Dye & Durham (UK) Limited, of TM Group (UK) Limited (the ‘Merger’)

Dear [REDACTED],

We refer to your submission of 21 January 2022 requesting that the CMA consents to derogations from the Initial Enforcement Order of 26 October 2021 (the "**Initial Order**"). Unless otherwise stated, 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, Dye & Durham Limited and Dye & Durham (UK) Limited ("D&D") 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, TMG may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order – Changes to TMG's management structure and key staff

The CMA understands that TMG is proposing to integrate the CDS' senior management team into TMG's senior management structure. The planning process for such integration predates and is unrelated to the current Transaction. In particular, TMG is proposing to [REDACTED] to accommodate the integration of key staff from CDS management into TMG's management structure. As part of the integration process, changes will also be made to the reporting lines of junior members of the new TMG management.

TMG is therefore seeking the CMA's consent to a derogation from paragraphs 5(c) and 5(i) of the IEO to permit changes to TMG's management structure, including the creation of new TMG management positions and the redundancy of the corresponding roles in CDS management.

On the basis of TMG's representations, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order to permit the termination of these roles strictly on the basis that:

- (a) [X] and [X] have the necessary capacity and experience to effectively fulfil their roles as [X] respectively. As such, their appointment to this role will not impact the viability or ongoing operation of the TMG business;
- (b) No other organisational or key staff changes will be made to the TMG business without a derogation from the CMA;
- (c) This derogation will not result in any pre-emptive action which might prejudice the outcome of the reference, lead to any integration of the TMG and D&D or D&D UK businesses or impede the taking of any action which may be justified by the CMA's decisions on a reference; and
- (d) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger

Yours sincerely.



Adam Cooper
Director, Remedies, Business and Financial Analysis
26 January 2022