

**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 26 May 2021.

Completed acquisition by CHC Group LLC (‘CHC’) from Babcock International Group plc (‘Babcock’) of the oil and gas offshore crew transportation service business of Babcock (‘Babcock Offshore’) (the ‘Acquisition’). CHC and Babcock Offshore together are referred to as the ‘Parties’.

We refer to your submission of 1 April 2022 requesting that the CMA consents to derogations from the Initial Enforcement Order of 26 May 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, CHC Group LLC, EEA Helicopter Operations B.V., CHC Scotia Limited, Babcock Mission Critical Services Offshore Limited, Babcock Offshore Services Australasia Pty Ltd and Babcock Denmark A/S (the ‘**Addressees**’) are required to hold separate the Babcock Offshore business from the CHC 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 derogation requests from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the Addressees carrying out the following actions, in respect of the specific paragraphs:

1. Paragraph 6(c) – [REDACTED]

CHC submits that it is strictly necessary for it to [REDACTED] across [REDACTED] in order to generate [REDACTED] to [REDACTED] of CHC, such that it has [REDACTED]. This is also strictly necessary to help CHC [REDACTED].

The CMA consents to a derogation from paragraphs 6(c) and (i) of the Initial Order to permit CHC [REDACTED] as detailed above.

The CMA consents to this derogation strictly on the basis that:

- a) CHC's ability to operate its business will not be adversely impacted [REDACTED]; and
- b) The [REDACTED].

2. Paragraphs 6(e) – Proposed [REDACTED]

CHC submits that it intends to enter into the following [REDACTED]. CHC submits that [REDACTED]:

- a) The [REDACTED] of CHC's [REDACTED]. CHC currently [REDACTED]; and
- b) The [REDACTED]. Following this, CHC intends to enter into [REDACTED]. CHC submits that [REDACTED].

The CMA consents to a derogation from paragraph 6(e) of the Initial Order to permit CHC to [REDACTED]:

- a) The [REDACTED]; and
- b) The [REDACTED].

These derogations shall not prevent any remedial action which the CMA may need to take regarding the Acquisition. These derogations will not result in any integration between CHC and the Babcock Offshore business.

[SIGNED]

Lesley Moore

Director, Mergers

14 April 2022