

## **ANTICIPATED ACQUISITION OF MEGGITT PLC BY PARKER-HANNIFIN CORPORATION**

### **NOTICE OF ACCEPTANCE OF COMPETITION UNDERTAKINGS OFFERED BY MEGGITT PLC AND PARKER-HANNIFIN CORPORATION PURSUANT TO PARAGRAPH 3(2) OF SCHEDULE 7 TO THE ENTERPRISE ACT 2002.**

#### **Intervention under the Enterprise Act 2002**

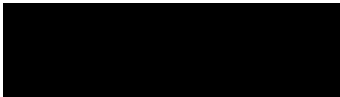
1. On 18 October 2021, the Secretary of State for Business, Energy and Industrial Strategy (“the Secretary of State”) issued a public interest intervention notice under section 42(2) of the Enterprise Act 2002 (“the Act”) in relation to the proposed acquisition by Parker-Hannifin Corporation (“Parker-Hannifin”) of the entire issued and to be issued ordinary share capital of Meggitt plc (“Meggitt”) (“the Merger”). Under section 44 of the Act, the Secretary of State instructed the Competition and Markets Authority (“CMA”) to investigate the proposed acquisition and to report its findings by 18 March 2022. On 19 October 2021, the CMA commenced its investigation and published an invitation to comment.
2. On 18 March 2022, the CMA reported to the Secretary of State (the “SLC Report”). The SLC Report set out the CMA’s belief that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, the CMA’s assessment on competition, and summarised the representations it received relating to the national security public interest consideration specified in the intervention notice.
3. The Secretary of State received further advice directly from the Secretary of State for Defence about the national security implications of the merger.
4. In light of the report from the CMA the Secretary of State considers that he has the power, under section 45 of the Act, to refer the merger to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to carry out a more detailed assessment. This is termed a “phase 2 inquiry”.
5. Alternatively, if the Secretary of State would otherwise be minded to refer the merger to a phase 2 inquiry, he may accept undertakings from the parties in lieu of such a reference to remedy, mitigate or prevent the competitive concerns, under paragraph 3 of Schedule 7 to the Act.
6. On 28 June 2022 the Secretary of State announced that he was minded to accept undertakings offered in the proposed acquisition of Meggitt by Parker-Hannifin to address the competition issues identified in this case in lieu of making a reference to a phase 2 inquiry.
7. The Secretary of State published the proposed competition undertakings for consultation between 28 June and 13 July 2022, in accordance with paragraph 2 of Schedule 10 to the Act.
8. In parallel, the Secretary of State published separate national security undertakings for consultation.

## **Decision to Accept Undertakings**

9. No representations were received during the consultation. The Secretary of State remains of the view that the proposed competition undertakings mitigate the competition concerns identified to an acceptable level.
10. The Secretary of State has therefore accepted the undertakings in lieu of making a phase 2 reference. Pursuant to paragraph 3(8)(a) of Schedule 7 to the Act, the undertakings came into force on acceptance.
11. This notice and the accepted undertakings are published on the GOV.UK website.

## **Accepted Undertakings**

12. The undertakings annexed to this notice are those accepted by the Secretary of State on 19 July 2022.



Alesha De Freitas  
Deputy Director, Competition Policy  
An official of the Department for Business, Energy and Industrial Strategy  
19 July 2022