

**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’).**

We refer to your submissions of 2 December 2021 and 7 December 2021 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 requests for derogations 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. Paragraphs 6(c) and 6(i) – CHC directorship changes**

CHC submits that [X], [X] and [X], handed in their resignations on 30 April 2020, 31 July 2020 and 3 November 2021 respectively. The CMA understands that these resignations were not related to the completion of the Acquisition, and specifically that [X] and [X] departed CHC to pursue [X] and [X] resigned on the basis that [X].

CHC also submits that it was notified on 9 November 2021 that [REDACTED] handed in their notice to their employer [REDACTED] (CHC's Luxembourg corporate records provider). [REDACTED] has proposed that they are replaced by [REDACTED].

In light of these resignations, CHC proposes to:

- (i) Replace [REDACTED] with [REDACTED] on the boards of the CHC entities listed in Annex 1, section A. The CMA understands that [REDACTED] has the relevant expertise to carry out the functions required of a non-executive member on these boards and that they also meet all relevant legal and regulatory requirements for non-executive board members in this jurisdiction.
- (ii) Replace [REDACTED] with [REDACTED] on the boards of the CHC entities listed in Annex 1, section B. The CMA understands that [REDACTED] has the relevant expertise to carry out the functions required of a non-executive member on these boards and that the appointments will not affect their abilities to carry out their current role of [REDACTED] at CHC.
- (iii) Remove [REDACTED] from the boards of the CHC entities listed in Annex 1, section C and to appoint an external local director in due course. The CMA understands that CHC expects to appoint a local law firm.
- (iv) Remove [REDACTED] from the board of the CHC entity listed in Annex 1, section D and to appoint [REDACTED]. The CMA understands that [REDACTED] has the relevant experience to carry out the required role.

The CMA consents to a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit:

- (i) The removal of [REDACTED] from the boards of the CHC entities listed in section A of Annex 1.
- (ii) The appointment of [REDACTED] to the boards of the CHC entities listed in section A of Annex 1.
- (iii) The removal of [REDACTED] from the boards of the CHC entities listed in section B of Annex 1.
- (iv) The appointment of [REDACTED] to the boards of the CHC entities listed in section B of Annex 1.

- (v) The removal of [X] from the boards of the CHC entities listed in section C of Annex 1.
- (vi) A replacement for [X] to be appointed to the boards of the CHC entities listed in section C of Annex 1.
- (vii) The removal of [X] from the board of the CHC entity listed in section D of Annex 1.
- (viii) The appointment of [X] to the board of the CHC entity listed in Section D of Annex 1.

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

- (a) The above board changes will not have any impact on the day-to-day operations of CHC.
- (b) The above board changes will not have any impact on the ability of CHC to compete independently of Babcock Offshore.
- (c) Each of the incoming directors have the expertise and experience necessary to fulfil the responsibilities associated with the board position(s) they are taking on.

## 2. Paragraph 6(e) – CHC [X]

CHC submits that it intends to [X]. CHC further submits that while from time to time the [X]. [X]. In addition, CHC will use [X]. Finally, CHC submits that [X].

The CMA consents to a derogation from paragraph 6(e) of the Initial Order to permit CHC to [X] set out above. The CMA consents to this derogation strictly on the basis that:

- (a) [X] is strictly necessary in order for [X].
- (b) [X] will have no impact on CHC's operations, including in the UK.

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 the Babcock Offshore business and the CHC business.

[Signed]

**Lesley Moore**

## Director, Mergers

10 December 2021

### Annex 1

Entity	Role(s)
<b>A – entities on which [X] will replace [X]</b>	
6922767 HOLDING S.À R.L.	Manager B
CHC HELICOPTER (1) S.À R.L.	Manager B
CHC HELICOPTER (2) S.À R.L.	Manager B
CHC HELICOPTER (3) S.À R.L.	Manager B
CHC HELICOPTER (4) S.À R.L.	Manager B
CHC HELICOPTER (5) S.À R.L.	Manager B
CHC HELICOPTER (6) S.À R.L.	Manager B
CHC LEASING S.À R.L.	Manager B
<b>B – entities on which [X] will replace [X]</b>	
CHC Helicopters (Africa) Equatorial Guinea Inc.	Director and Officer
CHC Helicopter (Ghana) Limited	Director and Officer
<b>C – entities on which [X] will be replaced with an external local director</b>	
CHC Global Operations International Limited – Kazakhstan Branch	Branch Head
CHC HELICOPTER HOLDING S.À R.L.	Branch Head
<b>D – entities on which [X] will replace [X]</b>	
CHC Reinsurance S.A.	Director