

**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’)

We refer to your submissions of 15 July 2022 requesting that the CMA consents to derogations from the Initial Enforcement Order of 27 August 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, D&D may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 5(e)(ii) of the Initial Order – Dissolution of certain D&D UK entities

The CMA understands that [✂], the winding up of a number of dormant D&D UK registered entities is required. These entities are not operational and do not have any assets.

D&D is therefore seeking the CMA's consent to a derogation from paragraph 5(e)(ii) of the IEO to permit the dissolution of these entities as set out in D&D's derogation request dated 9 August 2022.

On the basis of D&D's representations, the CMA consents to a derogation from paragraph 5(e)(ii) of the Initial Order to permit the proposed winding up of these entities.

The CMA also understands that D&D requires certain additional entities to be consolidated into one D&D UK entity, with those additional entities also being wound up.

D&D is therefore also seeking the CMA's consent to a derogation from paragraph 5(e)(ii) of the IEO to permit the dissolution of these entities.

On the basis of D&D's representations, the CMA also consents to a derogation from paragraph 5(e)(ii) of the Initial Order to permit the proposed winding up of these additional entities as set out in D&D's derogation request dated 9 August 2022.

This derogation will not lead to any integration of the TMG and D&D or D&D UK businesses, nor will it pose no risk to the deterioration of the TMG asset or the ability to maintain and hold separate TMG as a going concern until such time as the TMG business is divested. Further, this derogation will 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
12 August 2022