

**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 3 August 2022 requesting that the CMA consents to a derogation 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., (“**EHOB**”) 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 request for a derogation 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(I) – Clean team for sale of divestment business**

CHC submits that it is necessary for a clean team to be set up to enable certain individuals at CHC, who are involved in the dealmaking process with respect to the divestment business, to obtain information relating to Babcock Offshore UK such that they can advise the board of CHC regarding the sale value of the divestment business, negotiate with

potential bidders and ultimately complete the sale of Babcock Offshore UK as required by the CMA's Final Order dated 1 June 2022.

The CMA consents to a derogation from paragraphs 5(b), 6(c), 6(e) and 6(l) of the Initial Order to permit certain individuals at CHC to obtain confidential information relating to Babcock Offshore UK in order enable CHC to take all relevant steps to complete the sale of Babcock Offshore UK.

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

- (a) the Babcock Offshore UK information provided to CHC will be limited to that which is strictly necessary for CHC to take all relevant steps to complete the sale of Babcock Offshore UK;
- (b) information will only be provided to the individual(s) identified in Annex 1 for whom it is strictly necessary to see information relating to Babcock Offshore UK to arrange for CHC to sell Babcock Offshore UK, and such information will only be provided for the purpose of completing this transaction;
- (c) all information will be reviewed and approved by the Monitoring Trustee prior to being provided to CHC;
- (d) the individual(s) listed in Annex 1 do not have any day to day responsibility for the commercial operations of CHC in the UK;
- (e) each of the persons listed in Annex 1 shall enter into a non-disclosure agreement in a form approved by the CMA;
- (f) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within CHC from accessing the information shared with the individual(s) listed in Annex 1 for the purposes of this derogation, and once the divestment process is over such information will be destroyed or otherwise rendered inaccessible (to the extent permitted by law); and
- (g) no changes to the individual(s) listed in Annex 1 are permitted without the prior written consent of the CMA (including via email).

[signed]

**Alistair Thompson**

**Director, RBFA**

**4 August 2022**

## Annex 1

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