

**DEROGATION LETTER
IN RESPECT OF FINAL UNDERTAKINGS 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 9 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 IEO, 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), (d), (e), and (i)

The CMA stated in its Final Report of 1 June 2022 (the “**Final Report**”) that it had found a substantial lessening of competition (“**SLC**”) in the UK and required CHC to divest the UK part of the Babcock Offshore Business (“**Offshore UK**”). The CMA also stated in its Final Report that it would not be necessary for CHC to divest Offshore Australia and Offshore Denmark in order to address the SLC and that it would not be necessary to

divest these entities to ensure an attractive divestment package. Accordingly, the CMA granted a derogation which permitted CHC to integrate the Offshore Australia and Offshore Denmark businesses on 14 July 2022.

CHC submits that:

- (i) as a consequence of the conclusions of the CMA's Final Report and the aforementioned derogation, the obligations at paragraphs 6(c), (d), (e), and (i) are no longer necessary to prevent CHC from taking any pre-emptive action;
- (ii) it is strictly necessary to ensure that these obligations no longer apply to CHC's businesses and operations in non-UK jurisdictions so that it is not subject to overly burdensome and unnecessary obligations in relation to those businesses; and
- (iii) should this request be granted, CHC Group LLC's compliance statement as annexed to the IEO should only apply to its UK business and operations.

The CMA consents to a derogation from paragraphs 6(c), (d), (e), and (i) of the IEO to remove the obligations contained therein from being applicable to CHC's business and operations in non-UK jurisdictions. Consequently, the CMA consents to CHC Group LLC's compliance statement to only be submitted in respect of CHC's UK business.

[signed]

Alistair Thompson

Director, RBFA

24 August 2022