

**CONSENT LETTER
IN RESPECT OF FINAL UNDERTAKINGS ISSUED PURSUANT TO SECTION
82(1) ENTERPRISE ACT 2002**

Consent to certain actions for the purposes of paragraph 5 of the Final Undertakings accepted by the Competition and Markets Authority ('CMA') on 24 August 2022.

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').

We refer to your submission of 23 August 2022 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 were 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 Enterprise Act 2002 (the Act) or impede the taking of any remedial action following such a reference.

In accordance with section 72(6)(a)(ii) of the Act, the Initial Order ceased to be in force on the final determination of the reference, but CHC has undertaken that until Final Disposal, except with the prior written consent of the CMA (which, for the avoidance of doubt, includes any derogations already granted by the CMA under the Initial Order, unless cancelled or revoked by the CMA), it will not take any action which might prejudice the Final Disposal, the CMA's decisions in the Report or otherwise impair the CMA's ability to take such action for the purpose of remedying, mitigating or preventing the SLCs or any adverse effect which has resulted from, or may be expected to result from, the SLC findings.

After due consideration of your request for derogations from the Final Undertakings, 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 5.1(b), 5.2(c) and 5.2(i) – EHOB shareholder and directorship changes

CHC submits that changes are required to the current EHOB shareholders and the EHOB board as part of a wider restructuring that CHC is undertaking in its business. In particular, CHC proposes to:

- (i) replace [X] with [X] as EHOB's majority shareholder (with a [X]% shareholding) and in his role as a board member on the EHOB board. The CMA understands that [X] is able to satisfy the regulatory requirements for a shareholder of EHOB, he does not have any shareholdings in competitors of EHOB and/or CHC, and he has the relevant expertise to carry out the functions required of a board member (including meeting regulatory requirements);
- (ii) replace [X] in his role as a board member on the EHOB board with [X]. The CMA understands that [X] has the relevant expertise to carry out the functions required of a board member of EHOB; and
- (iii) replace [X] in his role as CEO of EHOB with Mr. David Balevic. The CMA understands that Mr. Balevic is already a board member of EHOB and, given his experience as CEO of CHC, he has the relevant expertise to carry out the functions required of the CEO of EHOB.

The CMA consents to a derogation from paragraphs 5.1(b), 5.2(c) and 5.2(i) of the Final Undertakings to permit:

- (i) The transfer of [X]% shareholding in EHOB to [X];
- (ii) The removal of [X] and [X] from the EHOB board;
- (iii) The appointment of [X] and [X] as board members on the EHOB board; and
- (iv) The replacement of [X] with Mr. David Balevic in the role of CEO of EHOB.

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

- (a) the new EHOB shareholder does not have any shareholdings in competitors of EHOB and/or CHC;
- (b) the replacement EHOB board members and CEO have the required experience and expertise to perform their roles as board members/CEO; and
- (c) the above staffing changes will not have any impact on the ability of CHC to compete independently of the UK part of Babcock Offshore.

[signed]

Kip Meek

Panel Chair

5 September 2022