

**COMPLETED ACQUISITION BY CHC GROUP LLC OF OFFSHORE HELICOPTER SERVICES UK LIMITED, OFFSHORE SERVICES AUSTRALASIA PTY LTD, AND OFFSHORE HELICOPTER SERVICES DENMARK A/S**

**Directions issued on 16 December 2021 pursuant to paragraph 11 of the Initial Enforcement Order imposed by the Competition and Markets Authority on 26 May 2021 on: CHC Group LLC, EEA Helicopter Operations B.V., CHC Scotia Limited, Offshore Helicopter Services UK Limited, Offshore Services Australasia Pty Ltd, and Offshore Helicopter Services Denmark A/S**

On 31 August 2021, CHC Group LLC (**CHC**) purchased the entire issued share capital of Offshore Helicopter Services UK Limited<sup>1</sup> (**Offshore UK**) Offshore Services Australasia Pty Ltd<sup>2</sup> (**Offshore Australia**) and Offshore Helicopter Services Denmark A/S<sup>3</sup> (**Offshore Denmark**), (together, the **Fisher Business**) (the **Merger**).

CHC is a limited liability company incorporated in the Cayman Islands, headquartered in Texas (USA), and operates helicopter services in various countries, including the transportation of crews to and from offshore oil and gas platforms.<sup>4</sup> CHC's UK arm is operated through CHC Scotia Limited, which is wholly owned by EEA Helicopter Operations B.V. (**EHOB**). EHOB is jointly owned by Mr Ivan Levy and CHC,<sup>5</sup> and is the entity through which Offshore UK has been acquired.<sup>6</sup>

On 26 May 2021, the Competition and Markets Authority (**CMA**) made an Initial Enforcement Order (the **Order**) addressed to CHC, EHOB, CHC Scotia Limited, Offshore UK, Offshore Australia, and Offshore Denmark (collectively **the Addressees**), in accordance with section 72(2) of the Enterprise Act 2002 to prevent pre-emptive action. The Order is still in force.

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<sup>1</sup> Company number 04278474; previously named Babcock Mission Critical Services Offshore Limited, and renamed on 16 September 2021.

<sup>2</sup> Australian company number 141024606; previously named Babcock Offshore Services Australasia Pty and renamed on 22 September 2021.

<sup>3</sup> CRV number 41526211; previously named Babcock Denmark A/S and renamed on 1 September 2021.

<sup>4</sup> Final Merger Notice submitted to the CMA on 22 September 2021, paragraph 2.1.

<sup>5</sup> Final Merger Notice submitted to the CMA on 22 September 2021 paragraph 2.2 and Parties' submission to the CMA dated 12 May 2021, paragraph 1.3. Note for completeness that the CMA is treating EHOB as part of CHC, as explained further below, and as such references to CHC in this Issues Letter include EHOB.

<sup>6</sup> Final Merger Notice submitted to the CMA on 22 September 2021, paragraph 2.2.

The CMA now issues written directions under paragraph 11 of the Order that, for the purpose of securing compliance with the Order, the Addressees must appoint a monitoring trustee in accordance with the terms provided for in this Annex and must comply with the obligations set out in the Annex.

Signed

[signature]

Lesley Moore  
Director, Mergers  
Competition and Markets Authority

## Annex

### Directions to appoint a monitoring trustee

#### Interpretation

The Interpretation Act 1978 shall apply to these directions as it does to Acts of Parliament.

Terms and expressions defined in the Order have the same meaning in these directions, unless the context or the definitions below require otherwise.

In these directions:

**‘the Act’** means the Enterprise Act 2002;

**‘the Addressees’** refers collectively to: CHC Group LLC, EEA Helicopter Operations B.V., CHC Scotia Limited, Offshore Helicopter Services UK Limited, Offshore Services Australasia Pty Ltd, and Offshore Helicopter Services Denmark A/S

**‘an affiliate’** of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

**‘Babcock’** refers to Babcock International Group plc.

**‘business’** has the meaning, unless otherwise stated, given by section 129(1) and (3) of the Act;

**‘CMA’** means the Competition and Markets Authority;

**‘CHC’** refers to CHC Group LLC

**‘Fisher Business’** refers to Offshore Helicopter Services UK Limited, Offshore Services Australasia Pty Ltd, and Offshore Helicopter Services Denmark A/S

**Merger** refers to completed acquisition by CHC of the Fisher Business.

**‘MT’** refers to the Monitoring Trustee.

**O&G Offshore Transportation** refers to oil and gas offshore transportation services.

Terms and expressions defined in the Order have the same meaning in these directions, and the singular shall include the plural and vice versa, unless otherwise specified or the context requires otherwise.

## **Appointment**

1. The Addressees must appoint a MT in order to ensure compliance with the Order, in particular to:
  - a. avoid any pre-emptive action (within the meaning of the Act) taking place during the CMA's investigation;
  - b. monitor and report to the CMA on compliance by the Addressees with the Order; and
  - c. support the CMA taking any remedial action which may be required to keep separate and maintain the entities within the Fisher Business as going concerns.
2. The MT must act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
3. The Addressees must cooperate fully with the MT, in particular as set out below, and must ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of the Addressees as set out in these directions.

## **General**

4. The MT must possess appropriate qualifications and experience to carry out their functions.
5. The MT must neither have, nor become exposed to, a conflict of interest that impairs their objectivity and independence in discharging his or her duties under these directions, unless it can be resolved in a manner and within a timeframe acceptable to the CMA.
6. The Addressees shall remunerate and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out his or her functions.
7. The Addressees must appoint the MT as soon as is reasonably practicable and in any event by **12 January 2022** and the MT will continue to act either until the CMA reaches a decision to clear the Merger or until the CMA directs that the MT is no longer required.

8. The appointment of a MT by the Addressees is subject to the approval of the CMA as to the identity of the MT and the terms and conditions of appointment in their entirety and:
  - a. the name of the proposed MT and a second proposed MT in reserve (should the CMA not approve the first proposed MT) must be notified to the CMA as soon as is reasonably practicable and in any event by **7 January 2022**;
  - b. the draft terms and conditions of appointment must be notified to the CMA as soon as is reasonably practicable and in any event by **7 January 2022** and
  - c. once the MT has been approved by the CMA and appointed, CHC must provide the CMA with a copy of the agreed terms and conditions of appointment.

## **Functions**

9. The functions of the MT will be to:
  - a. ascertain and report to the CMA in relation to the current level of compliance by the Addressees with the Order;
  - b. assess and report to the CMA in relation to the arrangements made by the Addressees for compliance with the Order and what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action, if required;
  - c. identify and supervise if necessary the arrangements made by the Addressees for ensuring compliance with the Order;
  - d. monitor compliance by the Addressees with the Order;
  - e. assist the CMA with the consideration of any derogation requests made by the Addressees and monitor compliance by the Addressees with any derogations granted by the CMA; and
  - f. without prejudice to the right of the Addressees to contact the CMA, respond to any questions which the Addressees may have in relation to compliance with the Order, in consultation with the CMA.
10. The MT must take such steps as they reasonably consider necessary in order to carry out their functions effectively, including requiring the provision of information or the production of documents relating to communications within and between CHC (and its subsidiaries) and the Fisher Business, such as

written and electronic communications, telephone conversations and meetings as may be required.

11. The MT must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance with the Order.

### **Obligations of the Addressees**

12. The Addressees, their employees, officers, directors, advisers and consultants must cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his or her functions, including but not limited to:
  - a. the provision of full and complete access to all personnel, books, records, documents, facilities and information of CHC and the Fisher Business as the MT may reasonably require; and
  - b. the provision of such office and supporting facilities as the MT may reasonably require.
13. If the Addressees are in any doubt as to whether any action or communication would not be in compliance with the Order, it is required to contact the MT in good time for clarification before such action is taken or such communication is made. However, for the avoidance of doubt, the MT has no authority, express or implied, to consent to any derogation or variation of the obligations in the Order, and any opinion of the MT regarding an action or communication does not bind the CMA nor indicate that the CMA has approved or sanctioned the action or communication. Derogations can only be granted by the CMA and will always be granted in writing.
14. If any of the Addressees has any reason to suspect that there may have been a failure to comply with the Order, it must notify the MT and the CMA as soon as reasonably practicable (a) on the day on which it has reason to suspect that there may have been a failure to comply with the Order, or (b) if the day referred to in (a) is on a weekend or national holiday, on the next working day.

### **Reporting functions**

15. The MT is required to provide an initial report to the CMA no later than **21 January 2022**, giving details of any arrangements which have been, or should be, put in place to ensure compliance with the Order, and including among other things:
  - a. details of the current extent of compliance with the Order;

- b. a description of the current arrangements made for the operation of the Fisher Business and for the preservation of the assets required to operate the Fisher Business; and
- c. recommendations as to what changes to those arrangements, if any, are necessary.

16. In addition to providing the initial report referred to in paragraph 15 above, the MT must provide a statement to the CMA every **four** weeks thereafter (or otherwise as required by the CMA) stating whether or not, in the MT's view, the Addressees have complied with the Order. At the same time, the MT must provide the CMA with a report setting out the following:

- a. the basis for the MT's view that the Order has or has not, as the case may be, been complied with and in particular whether:
  - i. anything has caused them to be concerned as to whether the Addressees have complied with the Order, and if it has, whether those concerns have been resolved and why;
  - ii. they have any remaining doubts or uncertainties as to whether the Addressees have complied with the Order; and
  - iii. anything that causes them to be concerned about potential future non-compliance with the Order (whether deliberate or inadvertent);
- b. details of the performance of CHC and the Fisher Business, including any factors that might indicate asset deterioration;
- c. whether appropriate steps are being taken to maintain each of the entities within the Fisher Business as a going concern;
- d. the extent to which the Addressees have cooperated with the MT in his or her task of monitoring their compliance with the Order and details of any aspects of the cooperation of the Addressees that he or she considers could be improved;
- e. the extent to which the MT considers that he or she is in an appropriate position to monitor the compliance of the Addressees with the Order and if there is anything that the MT considers would assist him or her in monitoring compliance;
- f. any current or anticipated requests for consent to vary the Order; and
- g. the information they used to compile the report.

17. When providing reports to the CMA, the MT must ensure that they do not disclose any information or documents to the CMA which the Addressees would be entitled to withhold from the CMA on the grounds of legal privilege and nothing in these directions requires the Addressees to produce any information or documents to the MT which are legally privileged.
18. The MT must immediately notify the CMA in writing if they form a reasonable suspicion that there has been a failure to comply with the Order, or if they consider that they are no longer in a position to effectively carry out his or her functions. In that situation, the MT must give reasons for this view, including any supporting evidence available (subject to paragraph 17 above).
19. All communications between the MT and the CMA (including the statements and reports referred to in paragraphs 15 and 16) are confidential and should not be disclosed to the Addressees, or any other person, save with the prior written consent of the CMA.