

**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 22 December 2021 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 (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 derogations 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. Paragraphs 6(c) and (i) – CHC key staff and directorship changes

CHC submits that prior to completion of the Acquisition, [REDACTED] was appointed to certain CHC subsidiaries for an interim period following certain resignations whilst CHC sourced suitable replacements. CHC now proposes to replace [REDACTED] with [REDACTED]. The CMA understands that [REDACTED] has the relevant expertise to carry out the functions required of a

non-executive member on these boards and that the appointments will not affect her abilities to carry out her current role of [X] at CHC.

The CMA consents to a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit the removal of [X] from and the appointment of [X] to the boards of the CHC entities listed in Annex 1.

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

- (a) The above staffing change will not have any impact on the ability of CHC to compete independently of Babcock Offshore.
- (b) This derogation will not result in any integration between the Babcock Offshore business and the CHC business.
- (c) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Acquisition.

[signed]

Lesley Moore

Director, Mergers

23 December 2021

Annex 1

Entity	Role(s)
A – entities on which [X] will replace [X]	
CHC LABUAN INC.	Secretary
38286 BERMUDA LTD	Director