

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 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 10 November 2023

COMPLETED ACQUISITION BY LINDAB LIMITED OF HAS-VENT HOLDINGS LIMITED

We refer to your emails dated 17 November 2023 and 5 December 2023, with accompanying documents, requesting that the CMA consents to a derogation from the Initial Enforcement Order of 10 November 2023 (the '**Initial Order**'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save with the written consent of the CMA, Lindab, Lindab UK and HAS-Vent are required to hold separate the HAS-Vent business from the Lindab 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 Initial Order shall be limited as set out below in respect of the specific paragraphs:

Paragraphs 4(b), 5(b), 5(c), 5(d), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order

Lindab submits that it is unnecessary for the majority of its subsidiaries, as defined in Annex 1 (the '**Non-Related Lindab Companies**'), to be covered by every provision of the Initial Order given that none of those entities:

- provide any operational support, services, IT or funding to Lindab UK;
- share any assets, tangible or intangible, with Lindab UK;
- supply Lindab UK with a material quantity of inputs; or
- have any actual or potential horizontal or non-horizontal overlap with either Lindab UK or HAS-Vent.

Accordingly, Lindab submits that none of those entities are relevant to sustaining the competitive capability of Lindab in the UK, or to competition between Lindab and HAS-Vent in the UK.

Lindab therefore requests a derogation from paragraphs 4(b), 5(b), 5(c), 5(d), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order so that these paragraphs of the Initial Order do not apply to the Non-Related Lindab Companies.

Based on Lindab's representations and related evidence provided to the CMA, the CMA understands that:

- i. the viability and competitive capability of Lindab's UK operations are not dependent on the Non-Related Lindab Companies;
- ii. Lindab's UK operations are run independently of the Non-Related Lindab Companies;
- iii. Lindab UK takes operational decisions independently of the Non-Related Lindab Companies;
- iv. Lindab's UK operations do not have material links with the Non-Related Lindab Companies (including through intra-company supply agreements); and
- v. There are no material (actual or potential) horizontal or non-horizontal links between the products and services offered by the Non-Related Lindab Companies and those offered by either Lindab UK or HAS-Vent in the UK.

The CMA therefore consents to Lindab's request for a derogation to exclude the Non-Related Lindab Companies from paragraphs 4(b), 5(b), 5(c), 5(d), 5(e), 5(h), 5(i), 5(k) and 8 of the Initial Order, strictly on the basis that:

- (a) if Lindab proposes that any of the Non-Related Lindab Companies shall provide support to Lindab's UK operations during the period in which this Order is in force, in terms of providing funding, employees, assets (tangible or intangible) IT, back-office support or other support to Lindab's UK operations, or by becoming a material supplier of Lindab UK, Lindab will notify the CMA of that development and, if the action is approved, the relevant group company will cease to be one of the Non-Related Lindab Companies;
- (b) none of the Non-Related Lindab Companies directly or indirectly sell products or services to UK customers (including by supplying distributors who service the UK);
- (c) this derogation will not cause any disruption to Lindab's UK operations; and

(d) Lindab has disclosed all relevant actual and potential links between the Non-Related Lindab Companies and Lindab's UK operations and HAS-Vent.

Yours sincerely,

Matteo Alchini

Assistant Director, Remedies Business and Financial Analysis

13 December 2023

(together, the '**Non Related Lindab Companies**')