

Anticipated Acquisition by Barratt Developments plc of Redrow plc

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

1. Whereas:
 - (a) the Competition and Markets Authority (**CMA**) has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in Barratt Developments plc (**Barratt**) and Redrow plc (**Redrow**) ceasing to be distinct;
 - (b) the CMA is considering whether to make a reference under section 22 or 33 of the Act;
 - (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under sections 22 or 33 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
 - (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.
2. Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Barratt, and Redrow (the **Initial Order**).

COMMENCEMENT, APPLICATION AND SCOPE

1. This Initial Order commences on the commencement date: being the date of completion of the Merger.
2. This Initial Order applies to Barratt and Redrow.
3. Notwithstanding any other provision of this Initial Order:

- (a) no act or omission shall constitute a breach of this Initial Order, and nothing in this Initial Order shall oblige Barratt or Redrow to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date;
- (b) this Initial Order does not prohibit the completion of the Merger provided that Barratt and Redrow observe the restrictions set out below.

MANAGEMENT OF THE BARRATT AND REDROW BUSINESSES UNTIL DETERMINATION OF PROCEEDINGS

- 4. Except with the prior written consent of the CMA, Barratt and Redrow shall not, during the specified period, take any action which might prejudice a reference of the Merger under section 22 or 33 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Redrow business with the Barratt business;
 - (b) transfer the ownership or control of the Barratt business or the Redrow business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Redrow business or the Barratt business to compete independently in any of the markets affected by the Merger.
- 5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, Barratt or Redrow shall at all times during the specified period take all necessary steps to ensure that, except with the prior written consent of the CMA:
 - (a) the Redrow business is carried on separately from the Barratt business and the Redrow business's separate sales or brand identity is maintained;
 - (b) the Redrow business and the Barratt business are maintained as a going concern and sufficient resources are made available for the development of the Redrow business and the Barratt business, on the basis of their respective pre-Merger business plans;
 - (c) except in the ordinary course of business, no significant changes are made to the organisational structure of, or the management responsibilities within, the Redrow business or the Barratt business;
 - (d) the nature, description, range and quality of goods or services (or both) supplied in the UK by each of the two businesses are maintained and preserved;

- (e) except in the ordinary course of business through the separate operation of the two businesses:
 - (i) all of the assets of the Redrow business and the Barratt business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Redrow business or the Barratt business are disposed of; and
 - (iii) no interest in the assets of the Redrow business or the Barratt business is created or disposed of;
- (f) there is no integration of the information technology of the Redrow or Barratt businesses, and the software and hardware platforms of the Redrow business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Redrow business will be carried out by the Redrow business alone and for the avoidance of doubt the Barratt business will not negotiate on behalf of the Redrow business (and vice versa) or enter into any joint agreements with the Redrow business (and vice versa);
- (h) all contracts of the Redrow business and the Barratt business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Redrow business or Barratt business;
- (j) no key staff are transferred between the Redrow business or Barratt business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Redrow business and the Barratt business; and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Redrow business (or any of its employees, directors, agents or affiliates) to the Barratt business (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (including, for example, where required for compliance with external regulatory or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the Merger) and on the basis that, should the Merger

be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

COMPLIANCE

6. Barratt and Redrow shall take all necessary steps to ensure that each of its subsidiaries complies with this Initial Order as if the Initial Order had been issued to each of them.
7. Barratt and Redrow shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Barratt and Redrow its subsidiaries with this Initial Order. In particular, on 3 September 2024 and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Barratt and Redrow or other persons of Barratt and Redrow as agreed with the CMA shall, on behalf of Barratt and Redrow provide a statement to the CMA in the form set out in the Annex to this Initial Order confirming compliance with this Initial Order.
8. At all times, Barratt and Redrow shall actively keep the CMA informed of any material developments relating to the Redrow business or the Barratt business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Redrow business or the Barratt business;
 - (b) any interruption of the Redrow or Barratt business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Redrow or Barratt business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Redrow or Barratt business's contractual arrangements or relationships with key suppliers.
9. If Barratt or Redrow has any reason to suspect that this Initial Order might have been breached they shall immediately notify the CMA and any monitoring trustee that Barratt or Redrow (or both) may be directed to appoint under paragraph 10.
10. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Initial Order, or

do or refrain from doing any specified action in order to ensure compliance with the Initial Order. The CMA may vary or revoke any directions so given.

11. Barratt and Redrow shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Initial Order.

INTERPRETATION

12. The Interpretation Act 1978 shall apply to this Initial Order as it does to Acts of Parliament.

13. For the purposes of this Initial Order:

'the Act' means the Enterprise Act 2002;

'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;

'Barratt' means Barratt Developments plc (company number: 00604574);

'Barratt business' means the business of Barratt and its subsidiaries but excluding the Redrow business, carried on as at the commencement date;

'business' has the meaning given by section 129(1) and (3) of the Act;

'commencement date' means the date of completion of the Merger;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 or 36 of the Act;

'Initial Order' means this initial enforcement order made by the CMA on 20 August 2024 and addressed to Barratt and Redrow;

'key staff' means staff in positions of (i) senior executive or managerial responsibility or (ii) whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods or services (or both) by Redrow or Barratt and does not include

matters involving significant changes to the organisational structure or related to the post-merger integration of Redrow and Barratt;

'Redrow' means Redrow plc (company number: 02877315);

'the Redrow business' means the business of Redrow and its subsidiaries carried on as at the commencement date;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the Merger' means the Merger by which Barratt and Redrow will cease to be distinct within the meaning of section 23 of the Act; and

'the two businesses' means the Barratt business and the Redrow business;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Cristina Caballero
Assistant Director, Mergers
20 August 2024

ANNEX A: COMPLIANCE STATEMENT FOR BARRATT

I [insert name] confirm on behalf of Barratt that:

COMPLIANCE IN THE RELEVANT PERIOD

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Barratt has complied with the Initial Order made by the CMA in relation to the Merger on 20 August 2024 (the **Initial Order**).
 - (b) Barratt subsidiaries have also complied with this Initial Order.
2. Subject to paragraph 3 of the Initial Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Barratt that might prejudice a reference of the Merger under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Redrow business with the Barratt business;
 - (ii) transfer the ownership or control of the Barratt business or the Redrow business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Redrow business or the Barratt business to compete independently in any of the markets affected by the Merger.
 - (b) The Redrow business has been carried on separately from the Barratt business and the Redrow business's separate sales or brand identity has been maintained.
 - (c) The Redrow business and the Barratt business have been maintained as a going concern and sufficient resources have been made available for the development of the Redrow business and the Barratt business, on the basis of their respective pre-merger business plans.
 - (d) No significant changes have been made to the organisational structure of, or the management responsibilities within, the Redrow business or the Barratt business, except in the ordinary course of business.
 - (e) The nature, description, range and quality of goods or services (or both) supplied in the UK by the Redrow business and the Barratt business have been maintained and preserved.

- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Redrow business and the Barratt business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Redrow business or the Barratt business have been disposed of; and
 - (iii) no interest in the assets of the Redrow business or the Barratt business has been created or disposed of.
- (g) There has been no integration of the information technology of the Redrow or Barratt businesses, and the software and hardware platforms of the Redrow business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Redrow business have been carried out by the Redrow business alone and, for the avoidance of doubt, the Barratt business has not negotiated on behalf of the Redrow business (and vice versa) or entered into any joint agreements with the Redrow business (and vice versa).
- (i) All contracts of the Redrow business and the Barratt business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Redrow business or the Barratt business.
- (k) No key staff have been transferred between the Redrow business and the Barratt business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Redrow business and the Barratt business.
- (m) Except as permitted by the Initial Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Redrow business (or any of its employees, directors, agents or affiliates) to the Barratt business (or any of its employees, directors, agents or affiliates), or vice versa.

- (n) Except as listed in paragraph (o) below, there have been no:
- (i) key staff that have left or joined the Redrow business or the Barratt business;
 - (ii) interruptions of the Redrow business or the Barratt business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Redrow business or the Barratt business; or
 - (iv) substantial changes in the Redrow or Barratt business's contractual arrangements or relationships with key suppliers.
- (o) [list of material developments]
3. Barratt and its subsidiaries remain in full compliance with the Initial Order and will or will take all necessary steps to ensure that Redrow, continue actively to keep the CMA informed of any material developments relating to the Redrow or the Barratt business in accordance with paragraph 8 of the Initial Order.

INTERPRETATION

4. Terms defined in the Initial Order have the same meaning in this compliance statement.

I UNDERSTAND THAT:

5. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both.¹
6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a penalty of up to 5% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed.²

¹ Section 117 of the Act.

² Section 94A of the Act.

FOR AND ON BEHALF OF BARRATT

Signature

Name

Title

Date

ANNEX B: COMPLIANCE STATEMENT FOR REDROW

I [insert name] confirm on behalf of Redrow that:

COMPLIANCE IN THE RELEVANT PERIOD

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Redrow has complied with the Initial Order made by the CMA in relation to the Merger on 20 August 2024 (the **Initial Order**).
 - (b) Redrow subsidiaries have also complied with this Initial Order.
2. Subject to paragraph 3 of the Initial Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Redrow that might prejudice a reference of the Merger under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Redrow business with the Barratt business;
 - (ii) transfer the ownership or control of the Redrow business or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Redrow business or the Barratt business to compete independently in any of the markets affected by the Merger.
 - (b) The Redrow business has been carried on separately from the Barratt business and the Redrow business's separate sales or brand identity has been maintained.
 - (c) The Redrow business have been maintained as a going concern and sufficient resources have been made available for the development of the Redrow business and the Barratt business, on the basis of their respective pre-merger business plans.
 - (d) No significant changes have been made to the organisational structure of, or the management responsibilities within, the Redrow business, except in the ordinary course of business.
 - (e) The nature, description, range and quality of goods or services (or both) supplied in the UK by the Redrow business have been maintained and preserved.

- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Redrow business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Redrow business have been disposed of; and
 - (iii) no interest in the assets of the Redrow business has been created or disposed of.
- (g) There has been no integration of the information technology of the Redrow or Barratt businesses, and the software and hardware platforms of the Redrow business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Redrow business have been carried out by the Redrow business alone and, for the avoidance of doubt, the Barratt business has not negotiated on behalf of the Redrow business (and vice versa) or entered into any joint agreements with the Redrow business (and vice versa).
- (i) All contracts of the Redrow business and the Barratt business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Redrow business.
- (k) No key staff have been transferred between the Redrow business and the Barratt business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Redrow business.
- (m) Except as permitted by the Initial Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Redrow business (or any of its employees, directors, agents or affiliates) to the Barratt business (or any of its employees, directors, agents or affiliates), or vice versa.
- (n) Except as listed in paragraph (o) below, there have been no:

- (i) key staff that have left or joined the Redrow business;
 - (ii) interruptions of the Redrow business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Redrow business; or
 - (iv) substantial changes in the Redrow business' contractual arrangements or relationships with key suppliers.
- (o) [list of material developments]
3. Redrow and its subsidiaries remain in full compliance with the Initial Order and will or will take all necessary steps to ensure that Redrow, continue actively to keep the CMA informed of any material developments relating to the Redrow business in accordance with paragraph 8 of the Initial Order.

INTERPRETATION

4. Terms defined in the Initial Order have the same meaning in this compliance statement.

I UNDERSTAND THAT:

5. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both.³
6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a penalty of up to 5% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed.⁴

³ Section 117 of the Act.

⁴ Section 94A of the Act.

FOR AND ON BEHALF OF REDROW

Signature

Name

Title

Date