DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Dear [✂]

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 15 May 2025 ('IEO')

Acquisition by SMFL LCI Helicopters Limited ('SMFLH') of Macquarie Rotorcraft Limited ('MRL') (the 'Merger')

We refer to your emails and accompanying submissions dated 13 and 14 May 2025 requesting that the CMA consents to derogations to the Initial Enforcement Order of 15 May 2025 (the 'Initial Order'). 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, Sumitomo Mitsui Financial Group Inc., (**SMFG**), Sumitomo Corporation (**SC**), Sumitomo Mitsui Finance & Leasing Co. Limited **(SMFL),** SMFLH, and MRL (together, 'the Parties') are required to hold separate the MRL business from the SMFLH 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, SMFG, SC, SMFL, SMFLH and MRL may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(a), 6(a) and 6(e)(iii) of the Initial Order – intercompany financing arrangements

The Parties submit that MRL is party to [✂] existing intercompany loans (as either a borrower or a lender), with other companies in the wider Macquarie group (the 'Intercompany Loans'). [✂]. It is not possible to keep the Intercompany Loans in place after completion of the Merger. This is because the Intercompany Loans are documented [✂] and such Macquarie internal financing structures would not be made available to third parties.

The Parties submit that immediately prior to closing: (i) [✂]; (ii) [✂]; and, (iii) [✂].

The Parties further submit that the [✂] is necessary to [✂] and will ensure that MRL continues having access to available finance. This will prevent any undue or detrimental impact on MRL's business operations upon completion of the Merger.

Based on the representations of the Parties, the CMA consents to a derogation from paragraphs 5(a), 6(a) and 6(e)(iii) of the Initial Order to permit the [✂], strictly on the basis that:

(a) the [✂]:

i. will not in any way restrict SMFL (including for the avoidance of doubt, SMFLH) and MRL's ability to divest all or a portion of the MRL business, to the extent necessary either (1) as part of a voluntary offer by way of undertakings in lieu of reference to a Phase 2 pursuant to section 73 of the Act or (2) in order to comply with any order made by the CMA at Phase 2 under sections 41 and 84 of the Act to remedy any competition concerns identified;

ii. will neither impede, nor in any way interfere with the strategic or commercial decision-making ability of MRL, or the operations, governance, or control of MRL, and its purpose is to ensure that the viability and competitive capability of MRL business is maintained following completion of the Merger;

(b) [✂];

(c) [✂];

(d) for the avoidance of doubt, MRL is not required to receive, and will not receive, commercially sensitive information from SMFL (or its group entities) and SMFL (and its group entities) are not required to receive, and will not receive, any commercially sensitive information from MRL for the purposes of this derogation; and

(e) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Alex Lewis
Assistant Director, Mergers
15 May 2025