

## **DEROGATION LETTER IN RESPECT OF THE FINAL UNDERTAKINGS ISSUED PURSUANT TO SECTION 82 ENTERPRISE ACT 2002**

**Consent under section 82(5) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Final Undertakings made by the Competition and Markets Authority (CMA) on 23 December 2024**

### **Completed acquisition by Lindab Limited of HAS-Vent Holdings Limited (the ‘Merger’)**

We refer to your emails dated 14 and 23 January 2025 requesting that the CMA consents to a derogation from the Final Undertakings of 23 December 2024 (the **Undertakings**). The terms defined in the Undertakings have the same meaning in this letter.

Under the Undertakings, 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 implement the remedy required by the CMA’s Final Report of 15 October 2024 (the **Report**).

After due consideration of your request for a derogation from the Undertakings, based on the information received from you and in the particular circumstances of this case, Lindab and HAS-Vent may carry out the following actions, in respect of the specific paragraph:

### **Paragraph 6.2(k) of the Undertakings**

The Report sets out the CMA’s finding that the Merger has resulted, or may be expected to result, in a substantial lessening of competition in the two local areas centred around Nottingham and Stoke-on-Trent (the **SLC Areas**) and that Lindab must offer for sale all four of the Lindab and HAS-Vent branches (the **Divestment Branches**) in the SLC Areas in an open and transparent sales process, and ultimately divest two Divestment Branches (one in the Nottingham area and one in the Stoke-on-Trent area). The aforementioned requirements have been given effect through acceptance of the Undertakings.

Lindab wishes to take the following steps to further the sale of the Divestment Branches:

- a) Make available to short-listed potential purchasers more detailed information on the HAS-Vent Divestment Branches than is already permitted under existing derogations so that the purchasers can perform due diligence (the **Permitted Information**); and
- b) Review the Permitted Information itself in order to perform due diligence ahead of deciding which of the Divestment Branches Lindab would prefer to sell to a purchaser or purchasers approved by the CMA, and to enable it to negotiate the final agreements for the sale of one or both of the HAS-Vent Divestment Branches;

together 'the **Next Steps**'.

The Permitted Information will comprise such information on each HAS-Vent Divestment Branch as the short-listed potential purchasers are likely to request to see, namely: (a) three years' full financial performance statistics and forecasts, (b) copies of the premises lease/licence agreements, (c) copies of any vehicle ownership or lease documents, (d) details of stock, fixtures and fittings that will transfer, (e) details of employees' terms and conditions of employment and length of service, and (f) employees' salaries. Items (a) and (f) are referred to here as **Category A Permitted Information**.

Lindab seeks the CMA's consent for the following Lindab individuals to receive the Permitted Information to enable the Next Steps:

- i. [X] – Lindab Group, CEO;
- ii. [X] – Lindab Group, General Counsel;
- iii. [X] – Lindab Group, CFO;
- iv. [X] – Lindab Limited, Managing Director; and
- v. [X] – Lindab Limited, Financial and IT Director;

together, the '**Authorised Individuals**'.

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

- 1) The Permitted Information will be shared only with the Authorised Individuals, potential purchasers and their advisers but Category A Permitted Information

will be shared only with Authorised Individuals ii, iii and v, unless agreed otherwise by the CMA in writing (including via email).

- 2) Should potential purchasers query the figures in the three years' full financial performance statistics and forecasts, the Authorised Individuals will direct those purchasers to HAS-Vent (who will respond to those queries directly with the relevant potential purchaser). For the avoidance of doubt, none of the Authorised Individuals will have access to the underlying assumptions behind any forecasts, or to any management commentary on the three years' full financial performance statistics and forecasts.
- 3) The Authorised Individuals will use the Permitted Information only for the Next Steps.
- 4) Lindab will seek the approval of the CMA, which can be given by email, to add new categories of Permitted Information and, if necessary, Category A Permitted Information.
- 5) The Authorised Individuals will enter into new NDAs which are in the same form used for previous derogations but revised to cover the Permitted Information.
- 6) No changes to the list of Authorised Individuals are made without written consent from the CMA (which can be given via email).
- 7) Firewalls will be put in place by Lindab and HAS-Vent to prevent any unauthorised individuals from accessing any of the Permitted Information shared with the Authorised Individuals for the purposes of this derogation.
- 8) Upon completion of the divestment of a HAS-Vent Divestment Site, Lindab will ensure that the Permitted Information is rendered inaccessible and/or destroyed, except to the extent that record retention is required by law or regulation or agreement with the purchaser.
- 9) Lindab will not provide any of the Permitted Information to any potential purchaser that has not signed the NDA in the form already approved by the CMA (via the monitoring trustee).
- 10) This derogation will not result in any pre-emptive action which might impede the divestment of the Divestment Sites.

Yours sincerely

**Kirstin Baker (Chair of the Group)**  
**Competition and Markets Authority**  
**29 January 2025**