

Completed Acquisition by Constellation Developments Limited of ABVR Holdings Limited

Directions issued on 27 May 2025 pursuant to paragraph 10 of the Initial Enforcement Order imposed by the Competition and Markets Authority on Constellation, Constellation Developments and ABVR on 13 May 2025

1. Whereas:
 - (a) On 13 April 2025, Constellation Automotive Holdings Limited (**Constellation**), either itself or through an affiliated entity acquired ABVR Holdings Limited (**ABVR**), (the **Merger**).
 - (b) On 13 May 2025, the Competition and Markets Authority (**CMA**) made an Initial Enforcement Order (the **Initial Order**) addressed to Constellation, **Constellation Developments** Limited (**Constellation Developments**) and ABVR (together, the **Addressees**) in accordance with section 72(2) of the Enterprise Act 2002 (the **Act**) to prevent pre-emptive action. The Initial Order is still in force.
 - (c) The CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 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 decision on the reference.
 - (d) As confirmed by the Addressees' responses to the integration questionnaire of 15 May 2025 (together with other correspondence), several members of the pre-Transaction senior management of the Target have exited the ABVR business upon completion. Further, Constellation has appointed post-completion of the Transaction some of its employees to the board of directors of the Target which raises further concerns about the lack of independence of the ABVR business from Constellation. On the basis of the information

available to the CMA and following careful consideration, the CMA considers that a number of risk factors are present in this case which indicate that the current management of the Target may be insufficiently resourced to sustain the competitive capability of the Target and/or the Target's management may be incentivised to act in the best commercial interests of the Constellation business rather than the Target.

- (e) The CMA now issues written directions under paragraph 10 of the Initial Order that, for the purpose of securing compliance with the Initial Order, the Addressees must appoint a formal hold separate manager (**HSM**) of the ABVR business in accordance with the terms provided for in Annex A and must comply with the obligations set out in Annex A.

Maria Duarte

Mergers

Competition and Markets Authority

27 May 2025

ANNEX A: DIRECTIONS TO APPOINT A HOLD SEPARATE MANAGER

1. INTERPRETATION

1. In these directions:

‘ABVR’ or the **‘Target’** means ABVR Holdings Limited a company registered in England & Wales with a company number 10597111;

‘the ABVR business’ means the business, trade and assets of ABVR and its subsidiaries carried on as at the Commencement Date;

‘the Act’ means the Enterprise Act 2002;

‘the Addressees’ means Constellation, Constellation Developments and ABVR, and their respective subsidiaries;

‘business’ has the meaning, unless otherwise stated, given by section 129(1) and (3) of the Act;

‘CMA’ means the Competition and Markets Authority;

‘Commencement Date’ means 13 May 2025;

‘Constellation’ means Constellation Automotive Holdings Limited, a company registered in England & Wales with company number 13634625;

‘Constellation Developments’ means Constellation Developments Limited, with a company registered in England & Wales with company number 12823260;

‘the Constellation business’ means the business, trade and assets of Constellation and its subsidiaries but excluding the ABVR business, carried on as at the Commencement Date;

‘the Constellation Developments business’ means the business, trade and assets of Constellation Developments and its subsidiaries but excluding the ABVR business, carried on as at the Commencement Date

‘Derogations’ means any derogations granted whether before or after the appointment of the HSM by the CMA by which the Addressees may undertake certain actions that derogate from the Initial Order;

‘Hold separate manager’ appointed under these Directions to the IEO;

‘Initial Order’ means the initial enforcement order made by the CMA on 13 May 2025 and addressed to Constellation, Constellation Developments and ABVR;

‘Monitoring Trustee’ means monitoring trustee that the CMA may direct to be appointed from time to time under para 10 of the Initial Order;

‘subsidiary’ has the meaning, unless otherwise stated, given by section 1159 of the Companies Act 2006 (and **subsidiaries** shall be construed accordingly);

‘the Transaction’ means the transaction by which Constellation Developments and ABVR have ceased to be distinct within the meaning of section 23 of the Act;

2. Terms and expressions defined in the Initial Order have the same meaning in these directions, and the singular shall include the plural and vice versa, unless otherwise specified or the context requires otherwise.

2. APPOINTMENT

3. The Addressees must appoint a formal HSM to ensure that the ABVR business operates as a viable and competitive business, separately from and independently of the Constellation business. The HSM must be subject to the approval by the CMA of his or her identity and the terms and conditions of appointment. Any appointment must be made in accordance with the provisions of these Directions.
4. The Addressees must appoint the HSM without delay and in any event by 5pm on 2 June 2025 (or such longer period as the CMA may reasonably agree in writing) and the HSM will continue to act until the CMA has finally determined the reference (within the meaning of section 79 of the Act), has revoked the Initial Order, or has otherwise directed that the HSM is no longer required. The Addressees must provide the CMA with the draft terms and conditions of appointment of the potential candidate HSM by 5pm on 30 May 2025 (or such longer period as the CMA may reasonably agree in writing).
5. The Addressees must ensure that the terms and conditions of appointment of the HSM reflect and give effect to the functions and obligations of the HSM and the obligations of the Addressees as set out in these Directions.
6. The Addressees, their subsidiaries and their employees, officers, directors, advisers and consultants must provide the HSM with all cooperation, assistance and information as the HSM may reasonably require in order to discharge his or her functions.

3. FUNCTIONS

7. The functions of the HSM will be to exercise day-to-day management and control of the ABVR business so that:
 - (a) it operates as a viable and competitive businesses, separately from and independently of the Constellation business and competes actively with the Constellation business;
 - (b) appropriate management, reporting and decision-making systems are put in place to preserve the independence of the ABVR business and ensure such independence on an ongoing basis;
 - (c) the ABVR business is maintained as a going concern with access to sufficient resources for its continued operation and development.
8. The HSM will also be required to:
 - (a) ensure the economic viability and competitiveness of the ABVR business in accordance with good business practice;
 - (b) minimise, as far as possible, any risk of loss of competitive potential of the ABVR business;
 - (c) assist the CMA and MT, as the case may be, in monitoring the extent of compliance by the Addressees with the Initial Order (including any direction issued under paragraph 10 of the Initial Order) or any other order issued by the CMA pursuant to section 72 of the Act;
 - (d) discuss with the CMA and MT, as the case may be, arrangements which have been, or should be, put in place to ensure the separate operation from the Constellation business of a viable, competitive ABVR business and compliance by the Addressees with the Initial Order; and
 - (e) provide every two weeks (or otherwise as required by the CMA) a statement stating whether or not the Addressees have complied with the Initial Order.
 - (f) The HSM must act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
 - (g) The HSM must take such steps as he or she reasonably considers necessary in order to carry out the HSM's functions effectively.
 - (h) The HSM must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by the Addressees with the Initial Order.

- (i) The HSM must immediately notify the CMA in writing if he or she forms a reasonable suspicion that the Initial Order has been breached or if he or she considers that he or she is no longer in a position to effectively carry out the HSM's functions.

4. GENERAL

- 9. The HSM must possess the appropriate qualifications and experience to carry out the HSM's functions.
- 10. The HSM must neither have nor become exposed to a conflict of interest that impairs the HSM's objectivity and independence in discharging his or her functions under these Directions unless it can be resolved in a manner and within a timeframe acceptable to the CMA.
- 11. The Addressees shall remunerate and reimburse the HSM for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the HSM's independence or ability to effectively and properly carry out the HSM's functions.
- 12. The Addressees must provide the CMA with a copy of the agreed terms and conditions of the appointment of the HSM prior to his or her appointment.
- 13. Any termination of the appointment of the HSM is subject to the agreement of the CMA, such agreement not to be unreasonably withheld.
- 14. All communications between the HSM and the CMA are confidential and should not be disclosed to the Addressees, save with the prior written consent of the CMA. The HSM shall not disclose such communications to third parties.
- 15. The CMA may issue such further directions as it considers necessary to ensure compliance with the Initial Order, including, where the appointment of the HSM has been terminated, directions for the appointment of a further HSM.