

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002  
COMPLETED ACQUISITION**

Dear [X]

**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 13 May 2025**

**Completed acquisition by Constellation Developments Limited of ABVR Holdings Limited**

We refer to your emails and further information dated 15 May 2025 and 16 May 2025 requesting that the CMA consents to derogations to the Initial Enforcement Order of 13 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, Constellation Automotive Holdings Limited (**Constellation**), Constellation Developments Limited (**Constellation Developments**) and ABVR Holdings Limited (**ABVR**) are required to hold separate the ABVR business from the Constellation 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, Constellation and ABVR may carry out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 5(c), 5(i), 5(j) and 5(l) of the Initial Order**

During the Specified Period (as defined in the Initial Order), for the purposes of maintaining ABVR as a going concern and ensuring the effective continuity, ongoing viability and independent competitive capability of the ABVR business, Constellation is permitted to:

a) second the following individuals to senior operational roles within ABVR:

i. [X] (Interim Managing Director)

- ii. [X] (General Manager – Operations and The Car Buying Group)
  - iii. [X] (General Manager – Commercial)
- b) remove two of ABVR’s statutory directors, [X] and [X], as Constellation considers that it is no longer necessary for them to serve as statutory directors of ABVR in light of the envisaged appointment of [X].

The CMA grants this derogation, and in particular part (a) of this derogation, subject to the following safeguards which will apply during the Specified Period:

- [X] will no longer have any role, interactions or access to information relating to the Constellation business, except that [X] will remain as a statutory director of [X] solely for the purpose of completing [X] FY2025 statutory audit. For the avoidance of doubt, [X] will have no involvement with [X] or Constellation’s current or forward-looking business operations.
- [X] will each sign a non-disclosure agreement, to be approved by the CMA, which confirms that they would not share any information with Constellation other than as allowed by the IEO or any derogations granted from the IEO.
- [X] will serve as the Final Decision Maker amongst the seconded managers. As Final Decision Maker, [X] will have primary responsibility within ABVR for ensuring compliance with the Initial Order and will be permitted to liaise with [X] on matters relating to compliance with the Initial Order.
- [X] will each undertake their roles entirely independently of Constellation and no further reporting by them to Constellation will be undertaken except as permitted by the derogations to the Initial Order in force at the relevant time.
- The relevant individuals would be required to return their Constellation-issued IT equipment, and would be issued with Aston Barclay equipment. They would cease to have access to Constellation’s IT systems, and would have dedicated Aston Barclay email addresses.

## **2. Paragraphs 5(c) and 5(l) of the Initial Order**

During the Specified Period, for the purposes of overseeing that the ABVR business is able to operate its business effectively and comply with its various financial, legal and regulatory obligations, and to ensure the independent competitive capability of

the ABVR business, ABVR is permitted to send reports to the following employees (**Authorised Individuals**) of Constellation:

- [X];
- [X];
- [X] in Constellation's group-level finance and tax team; and
- [X] in Constellation's group-level legal team.

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

- 1) The Authorised Individuals are not involved in the day-to-day commercial operations of Constellation, and none would receive any commercial or competitively sensitive information relating to ABVR.
- 2) The Authorised Individuals sign a non-disclosure agreement on terms approved by the CMA before receiving any information, and Constellation would maintain a register of individuals who have signed such a non-disclosure information and received information subject to this derogation.
- 3) IT firewalls and/or other ring-fencing measures being put in place to prevent any unauthorised individuals within Constellation from accessing the information shared with the Authorised Individual for the purposes of the derogation.
- 4) No changes to the Authorised Individuals are permitted without the prior written consent of the CMA (including via email).
- 5) This derogation shall not prevent any remedial action which the CMA may need to take regarding the transaction.

The reports that ABVR is permitted to send to the above-mentioned individuals will concern the matters contained in Annex 2:

For the avoidance of doubt, the Authorised Individuals shall be entitled to ask clarificatory questions of Aston Barclay in respect of the information provided under this derogation, insofar as doing so complies with the terms of the Initial Order and any derogations thereunder.

In the event that the Transaction is prohibited by the CMA, Constellation would not be required to destroy or return the information provided under this derogation to ABVR on the basis that, as ABVR will be an indirectly wholly-owned subsidiary of Constellation during the Interim Order period, Constellation may remain liable for any breaches of ABVR's legal obligations during that period, and will also be required to include ABVR in group financial and other regulatory reporting during that period. In

those circumstances, Constellation would undertake to retain the ABVR information in a closed IT environment, the access to which would be managed closely to ensure that it is indispensable for essential compliance purposes only.

### **3. Paragraphs 5(a) and 5(l) of the Initial Order**

During the Specified Period, for the purpose of ensuring ABVR's continued access to its banking facilities with Barclays PLC, and to maintain ABVR as a going concern, ABVR's statutory directors ([§<] and [§<]) are permitted to sign a number of customary Cross Guarantees (required by various companies in ABVR that utilise the banking facilities) required by Barclays PLC and to engage with Barclays PLC in relation to its inquiries into the financial position of ABVR.

ABVR's statutory directors would each sign a non-disclosure agreement on terms approved by the CMA.

### **4. Paragraph 4(b) of the Initial Order**

During the Specified Period, to reflect the fact that Constellation has a number of minority shareholders based outside of the UK and that Constellation has no control over the ability of those shareholders to transfer their shares in Constellation, a derogation is granted such that Constellation will be deemed to be in compliance with paragraph 4(b) of the Initial Order so long as Constellation informs the CMA without delay should it become aware of: (i) any change in shareholding in Constellation that results in any existing or new shareholder gaining more than 10% of the shares or voting rights in Constellation; or (ii) any shareholder in Constellation acquiring or ceasing to hold the right to appoint a member to the Board of Directors of Constellation.

For the avoidance of doubt, Constellation itself remains under an obligation not to itself transfer the ownership or control of either the Constellation business or the ABVR business during the Specified Period.

Signature:

**Maria Duarte Director, Mergers**

## **ANNEX 1**

### **Penalties for the provision of false or misleading information**

#### **1. Imposition of civil penalties**

- 1.1 Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that
- (a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
  - (b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under part 3 of the Act.
- 1.2 Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

#### **2. Amount of penalty**

- 2.1 Under section 111(4), a penalty imposed under section 110(1A) shall be of such amount as the CMA considers appropriate.
- 2.2 A penalty imposed under section 110(1A) on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- 2.3 Under section 111(4A) a penalty imposed under section 110(1A) on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- 2.4 In deciding whether and, if so, how to proceed under section 110(1A), the CMA must have regard to the statement of policy which was most recently published under section 116 at the time when the act of omission occurred.

## **Annex 2**

### *Reports on Legal and Regulatory Compliance*

- Details of health and safety related compliance breaches or suspected breaches including:
  - details of any accidents occurring at ABVR sites; and
  - any issues arising under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.
- Details of compliance with ABVR's vehicle operating licences, including in respect of:
  - The driving of large goods vehicles (and other activity related to the same), recorded through a vehicle's tachograph recording equipment, as required by relevant legislation, and details of any infringement of the same;
  - Infringements of the Working Time Directive;
  - Any prohibition notices issued by the Vehicle & Operator Services Agency;
  - MOT pass rates for ABVR operated vehicles; and
  - Operator license requirements relating to vehicle transporters.
- Details of any ongoing or new (whether potential or actual) claims or litigation by or against ABVR, including insurance claims, employers liability claims and public liability claims.
- The necessary information about material complaints made about ABVR by either vendors or dealers are disclosed strictly on a need-to-know basis.
- Any information technology or data security related breaches or vulnerabilities.
- Any information about (i) breaches of physical security at ABVR locations or (ii) other threats or risks to ABVR's property, assets or people, including those likely to adversely affect ABVR's ability continue to trade in the manner it currently operates.
- Details of any issues or concerns regarding any regulatory or legal matters including:

- Compliance with taxation laws including VAT and corporation tax obligations;
- Any regulations enforced by the Financial Conduct Authority;
- Money laundering or other criminal or potentially criminal activity; and
- Planning and environmental matters.

### *Financial reporting*

- ABVR will provide to Constellation:
  - A schedule of bank and cash balances split out on a daily basis;
  - Any agreements for or settlements of inter-company loans or interest payments;
  - A rolling 13-week cash-flow forecast in the format approved by the CMA;
  - Weekly actual and forecast reporting, including comparisons to budget, in the format approved by the CMA; and
  - Monthly management accounts in the format approved by the CMA for the purposes of preparing Constellation group's consolidated financial reports (such management accounts to be uploaded by ABVR to Constellation's group consolidation system for the purpose of producing consolidated accounts for Constellation's group so that Constellation complies with its statutory financial reporting obligations).
- Requests for capital expenditure, disposals [≥] above the value of £250,000.
- Information relating to ABVR's budgeting and forecasting timelines and processes to ensure that such budgets and forecasts are prepared in accordance with the Constellation group's budgeting and forecasting timetable.
- Any further information as is required for the preparation of the Constellation group's consolidated financial statements for statutory or regulatory purposes.
- Monitoring information for the purposes of appropriate financial control and supervision of ABVR, including bank reconciliations, aged receivables listings, aged creditor listings, inventory aging, details of fraud/anti-money laundering/bribery and corruption searches on ABVR's customer base, and for supporting supplier billing verification.

- Liaison rights with ABVR's auditors and tax advisors to ensure statutory filing and reporting requirements are satisfied.

#### *Staff and personnel issues*

- Details of any intended changes to staff or staffing requirements at ABVR.
- Details of any intended changes in employment terms for staff.
- Details of any ongoing, intended or threatened disciplinary or grievance procedures.
- Details of any ongoing, pending or threatened employment tribunal or other employee-related claims.
- Details of any employees leaving (or giving notice to leave) or joining ABVR.

#### *Other regulatory reporting*

- Information required to comply with other regulatory reporting requirements, for example gender pay statistics and environmental reporting data.