

**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 dated 11 and 12 June 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. Paragraph 5(I) of the Initial Order

Constellation and the sellers of ABVR agreed to a customary adjusted consideration mechanism in the sale agreement relating to the transaction. As part of that adjusted consideration mechanism, Constellation is required to prepare, and agree with the sellers, a customary completion balance sheet and completion statement reflecting the financial position of ABVR upon completion of the transaction (**Completion Accounts Preparation**). Under the terms of the Initial Order, Constellation is unable to access the information required from ABVR for the Completion Accounts Preparation. Constellation

has requested a limited derogation from the Initial Order to allow it to work with, and receive information from, ABVR as required for the Completion Accounts Preparation.

During the Specified Period (as defined in the Initial Order), specified employees of Constellation are permitted to receive information from, and work with, [X] and other employees in ABVR's finance function for the limited purpose of the Completion Accounts Preparation.

The following employees of Constellation (**Authorised Individuals**) are permitted to be involved in the Completion Accounts Preparation (and therefore to receive information from ABVR and to correspond with ABVR in relation to the Completion Accounts Preparation):

- [X] (Project Accountant);
- [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 under this derogation.
- 3) IT firewalls and/or other ring-fencing measures are 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) The information to be shared by ABVR with the Authorised Individuals under this derogation is limited to information that is strictly necessary for the Completion Accounts Preparation.
- 5) Constellation will not share any business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the Constellation business with ABVR as part of the Completion Accounts Preparation.

- 6) 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 decisions on a reference.

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.