

**DEROGATION LETTER
IN RESPECT OF INITIAL ENFORCEMENT ORDERS 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 19 and 28 May 2025, and 4 and 11 June 2025, requesting that the CMA consents to derogations to the IEO. The terms defined in the IEO have the same meaning in this letter.

Under the IEO, save for written consent by the CMA, to 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 IEO, 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(c) and 5(i) of the IEO – Board Changes

The Parties wish to make changes to the membership of the Boards of certain MRL group entities, in light of the fact that: (i) certain employees or representatives of Macquarie Group, MRL's previous controlling shareholder, have resigned from their roles on such Boards at closing of the Merger, and (ii) in connection with the imposition of the IEO, certain other individuals of the Macquarie Group continued to retain their roles on certain MRL boards temporarily, notwithstanding that the Macquarie Group no longer holds an ownership interest in MRL.

The board changes proposed by MRL are set out in Annex 1 to this derogation consent letter (the **Board Changes**), and involve:

- the removal of [X] and [X] from the Boards of all MRL entities and their replacement in each case by [X];
- the appointment of [X] as a director on the Boards of the UK entities [X];
- the appointment of [X], [X] and [X] as company secretaries to the Boards of the UK entities.

The Parties submit that these changes are required to ensure that MRL is able to carry on its business effectively, and independently of SMFL, while the IEO is in force, and so that the Boards of its group entities have the appropriate membership for accounting and proper governance reasons. The Board Changes can be made by MRL without recourse to SMFL.

On the basis of the Parties' representations, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the IEO to permit the changes set out in Annex 1, strictly on the basis that:

- (i) SMFL will not seek to impede nor in any way interfere with the strategic or commercial decision-making ability of MRL, or the operations, governance, or control of MRL;
- (ii) the Board Changes seek to ensure that the viability, competitive capability and independent operation of MRL business is maintained for the duration of the CMA's investigation;
- (iii) the Board Changes will not materially impact the day-to-day carrying out of the existing roles of the relevant MRL key staff;
- (iv) The MRL individuals being appointed to the MRL boards have the necessary experience and capability to carry out their respective roles on the various boards; and
- (v) 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.

2. Paragraphs 5(c) and 5(i) of the IEO – Management Committee changes

MRL wishes to make changes to the membership of the Management Committee of the MRL group, in light of the fact that in connection with the imposition of the IEO, a Macquarie Group representative has continued to retain their role on such committee temporarily, notwithstanding that Macquarie Group no longer holds an ownership interest in MRL.

MRL submits that it proposes to change the composition of the Management Committee such that:

- [X] would be removed from his position on the Management Committee; and
- [X] and [X] would be appointed to the Management Committee.

On the basis of the Parties' representations, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the IEO to permit the changes set out above, strictly on the basis that:

- (i) these changes are strictly necessary to ensure that MRL is able to carry on its business independently while the IEO is in force; and
- (ii) [X] and [X] have the necessary experience and capability to carry out their roles on the Management Committee.

3. Paragraphs 5(c) of the IEO – Operating Procedures Changes

MRL wishes to make changes to its Operating Procedures to reflect that it is no longer a part of the Macquarie Group. On the basis of MRL's submissions, the CMA understands that there are certain requirements under the Operating Procedures whereby MRL is required to seek approval or input from certain functions within the wider Macquarie Group, [X].

Following completion of the Merger, it is no longer appropriate or necessary for MRL to obtain this approval / input from those broader functions within the Macquarie Group since MRL is no longer part of the Macquarie Group.

MRL therefore requests to change its Operating Procedures to remove these broader Macquarie Group requirements (the **OP Changes**) and to ensure that MRL is able to carry on its business independently while the IEO is in force.

On the basis of the Parties' representations, the CMA consents to a derogation from paragraph 5(c) of the IEO to permit the changes set out above, strictly on the basis that:



















- (i) the approvals or input previously sought by MRL from the Macquarie Group will be taken by the MRL business independently, and no approvals or input will be sought by MRL from SMFL (subject to any further derogations which the CMA may grant);
- (ii) the OP Changes seek to ensure that the viability, competitive capability and independent operation of MRL business is maintained for the duration of the CMA's investigation; and


























- (iii) 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
12 June 2025

Annex 1 - Board Changes

Legal Entity	Jurisdiction	Current composition	Proposed composition
Macquarie Rotorcraft Limited	England & Wales	Directors:  Company Secretary: n/a	Directors:   Company Secretaries:   
Macquarie Rotorcraft Group Limited	England & Wales	Directors:  Company Secretary: n/a	Directors:   Company Secretaries:   
Macquarie Rotorcraft Leasing Services (UK) Limited	England & Wales	Directors:  Company Secretary: n/a	Directors:   Company Secretaries:   

Macquarie Rotorcraft Holdings Limited	England & Wales	Directors:  Company Secretary: n/a	Directors:   Company Secretaries:   
Macquarie Rotorcraft Leasing Holdings Limited	England & Wales	Directors:   Company Secretary: n/a	Directors:   Company Secretaries:   
Macquarie Rotorcraft Leasing Services (Ireland) Limited	Ireland	Directors:   	Directors:   
Macquarie Rotorcraft Leasing (Ireland) Limited	Ireland	Directors:   	Directors:   

Macquarie Rotorcraft Leasing Services (Hong Kong) Limited	Hong Kong	Directors: [✂]	Directors: [✂]
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