

**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 email dated 17 September 2025 requesting that the CMA consents to a derogation 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(l) of the Initial Order

ABVR is required to finalise and file its annual accounts (and those of its subsidiaries) for the financial year ending 28 February 2025 (**Accounts**) by 30 November 2025. As part of the preparation of the Accounts, tax computations need to be prepared in order to provide an accounting position for the tax entries to be included in the Accounts. Those computations must also be submitted to HMRC in due course.

Historically, [X] has prepared the required tax computations for ABVR and its subsidiaries. However, as [X] acts as the auditor of both ABVR and Constellation, it has informed ABVR that following the transaction it is unable to prepare the required tax computations due to independence requirements.

Constellation's group tax team, which is at group level and separate from all operating entities within the Constellation Group, has the required expertise to assist ABVR in preparing the required tax computations for the purposes of preparing the Accounts and eventual submission to HMRC. The parties have therefore requested a limited derogation from the Initial Order to allow ABVR to work with specified individuals in Constellation's group tax team to prepare the tax computations for the Accounts and eventual submission to HMRC.

During the Specified Period (as defined in the Initial Order), specified employees of Constellation are permitted to receive information from, and work with ABVR's finance function for the limited purpose of preparing tax computations for inclusion in the Accounts and eventual submission to HMRC (**Tax Computation Preparation**).

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

- [X] (Group Tax Manager); and
- [X] (Senior Tax Manager).

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 other than insofar as that information is strictly necessary for the Tax Computation Preparation.
- 2) The Authorised Individuals will take all reasonable steps to ensure that any information received under this derogation is kept secure and in such a way as to prevent unauthorised individuals within Constellation from accessing the information shared with the Authorised Individual for the purposes of this derogation.
- 3) The information to be shared by ABVR with the Authorised Individuals under this derogation is limited to information that is strictly necessary for the Tax Computation Preparation.

- 4) 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.