

DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3c) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 10 August 2026

Completed acquisition by NRG Fleet Services Limited of Specialist Fleet Services Limited

We refer to your submission dated 17 August 2026, as supplemented by a submission on 6 September 2026, requesting that the CMA consents to derogations from the Initial Enforcement Order of 10 August 2026 (the '**Initial Order**'). Unless otherwise stated, the terms defined in the Initial Order have the same meaning in this letter. NRG and SFS, together, are referred to henceforth as the '**Parties**'.

Under the Initial Order, save for written consent by the CMA, the Acquirer Group is required to hold separate the SFS 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, the Parties may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order – Non-Standard Expenditure Requests from SFS

NRG requests a derogation from paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order to enable it to put in place a delegation of authority (the '**Expenditure DoA**') which provides that the Managing Director of the SFS business shall have full power and authority to operate the SFS business, save in a limited number of specified circumstances in relation to the funding approval of Non-Standard Expenditure Requests (as defined in **Annex 1 below**) where NRG approval will be required.

NRG submits that the Expenditure DoA provides NRG with a critical oversight mechanism necessary if NRG is to balance securing the long-term viability and competitiveness of the

SFS business with ensuring the ongoing financial security and cash flow of the wider NRG business. Without such oversight, NRG states that there is a risk that NRG would be unable to meet its obligations under the Initial Order to ensure that the SFS business's practices are maintained as going concerns with sufficient resources made available for their development.

NRG submits that [X] is an appropriate recipient of the Expenditure DoA (the '**Expenditure Authorised Individual**') because unlike SFS's senior management team, the Expenditure Authorised Individual will have oversight of the business position, resources and cash flow of the wider NRG business.

NRG submits that by giving NRG the Expenditure DoA in relation to Non-Standard Expenditure Requests this derogation would: (i) balance securing the long-term viability and competitiveness of the SFS business with ensuring the ongoing financial security and cash flow of the wider NRG business; and (ii) enable NRG to fulfil its obligations under the Initial Order, specifically that the NRG and SFS businesses are maintained as going concerns with sufficient resources made available for their development (as required by paragraph 5(b) of the Initial Order).

After due consideration, the CMA consents to the derogation from paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order in respect of the Expenditure DoA, strictly on the basis that:

- a) The Expenditure DoA is necessary to preserve the viability and competitive capability of the SFS business.
- b) No Expenditure Authorised Individual has, or will have for the duration of the Initial Order, any responsibility for the commercial or strategic operations of the NRG business, and shall not use any information provided by the SFS business in any way to intervene in the management or operation of the SFS business or the NRG business.
- c) The Expenditure DoA provided to NRG for the purposes of reviewing Non-Standard Expenditure Requests is granted only to the Expenditure Authorised Individual.
- d) No additions or changes to the Expenditure Authorised Individual providing oversight of the Non-Standard Expenditure Requests of the SFS business shall be made under this derogation without the prior written consent of the CMA (including via email).
- e) The Expenditure Authorised Individual will sign a non-disclosure agreement, in a form approved by the CMA, which:
 - (i) covers the treatment of any commercially sensitive information they receive as a result of the Expenditure DoA; and

- (ii) ensures that any SFS information accessed for the purposes of the Expenditure DoA would only be used for decisions on Non-Standard Expenditure Requests for cash flow purposes, and not for any other business purposes.
- f) The CMA can amend each of the Non-Standard Expenditure Requests, as defined in Annex 1, at any time in writing (including via email) if it subsequently reaches a view that any of the Non-Standard Expenditure Requests are impacting upon the independent operation of the SFS business.
- g) The Expenditure Authorised Individual must not consult with any other individual in the NRG business in taking decisions on the Non-Standard Expenditure Requests.
- h) The Expenditure Authorised Individual will not seek to change the proposal made by the SFS business via SFS's senior management team in connection with the Non-Standard Expenditure Requests, or seek to substitute their judgment with that of SFS's senior management team, except for the purposes of condition (m) below.
- i) The Expenditure Authorised Individual will only review requests relating to Non-Standard Expenditure Requests from a cash flow perspective where the business case for these has already been approved by SFS's senior management team.
- j) The Expenditure Authorised Individual will only review the minimum information strictly necessary to make a decision on the Non-Standard Expenditure Requests and for cash flow purposes only, including:
 - (i) the relevant SFS site, depot or contract to which the expenditure relates;
 - (ii) the nature of the expense; and
 - (iii) any relevant quotes, including the potential supplier and their terms and conditions (where relevant).
- k) The CMA will be notified at least 24 hours in advance of each instance of reporting of a Non-Standard Expenditure Request to the Expenditure Authorised Individual.
- l) The Expenditure Authorised Individual is required to make a note of any requests they receive from the SFS business via SFS's senior management team in relation to this derogation and, at its request, the CMA will be provided with a summary of the information shared by the SFS business via SFS's senior management team with the Expenditure Authorised Individual for the purposes of the escalation.

- m) In the event of a proposed veto, the Expenditure Authorised Individual is required to make reasonable efforts to identify reasonable alternatives to the vetoed request in discussion with SFS's senior management team.
- n) Except where an alternative has been agreed with SFS's senior management team under condition (m) above, in the event of a proposed veto of a Non-Standard Expenditure Request by the Expenditure Authorised Individual, the Expenditure Authorised Individual will notify the CMA of their reasons for vetoing at least 24 hours in advance of any such veto being exercised.
- o) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within the NRG business from accessing the information shared with the Expenditure Authorised Individual for the purposes of this derogation.
- p) Should remedial action be required by the CMA in relation to the Transaction, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the SFS business for the purposes of this derogation will be returned to the SFS business and any copies destroyed, except to the extent that record retention is required by law or regulation.
- q) This derogation will not result in any disruption to, or impact the viability of the NRG business or the SFS business.
- r) This derogation will not result in any pre-emptive action which might prejudice the outcome of a reference nor prevent or impede the taking of any action which may be justified by the CMA's decision on a reference.

2. Paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order – Non-Standard Staffing Requests from SFS

NRG requests a derogation from paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order to enable it to put in place a delegation of authority (the '**Staffing DoA**') which provides that the Managing Director of the SFS business shall have full power and authority to operate the SFS business, save in a limited number of specified circumstances in relation to the funding approval of Non-Standard Staffing Requests (as defined in **Annex 2** below) where NRG approval will be required.

NRG submits that the Staffing DoA provides NRG with a critical oversight mechanism necessary if NRG is to balance securing the long-term viability and competitiveness of the SFS business with ensuring the ongoing financial security and cash flow of the wider NRG business. Without such oversight, there is a risk that NRG would be unable to meet its

obligations under the Initial Order to ensure that the SFS business's practices are maintained as going concerns with sufficient resources made available for their development.

NRG submits that [X] is an appropriate recipient of the Staffing DoA (the '**Staffing Authorised Individual**') because unlike SFS's senior management team, the Staffing Authorised Individual will have oversight of the business position, resources and cash flow of the wider NRG business.

NRG submits that by giving NRG the Staffing DoA in relation to Non-Standard Staffing Requests this derogation would: (i) balance securing the long-term viability and competitiveness of the SFS business with ensuring the ongoing financial security and cash flow of the wider NRG business; and (ii) enable NRG to fulfil its obligations under the Initial Order, specifically that the NRG and SFS businesses are maintained as going concerns with sufficient resources made available for their development (as required by paragraph 5(b) of the Initial Order).

After due consideration, the CMA consents to the derogation from paragraphs 4(a), 5(a), 5(c) and 5(l) of the Initial Order in respect of the Staffing DoA, strictly on the basis that:

- a) The Staffing DoA is necessary to preserve the viability and competitive capability of the SFS business.
- b) No Staffing Authorised Individual has, or will have for the duration of the Initial Order, any responsibility for the commercial or strategic operations of the NRG business, and shall not use any information provided by the SFS business in any way to intervene in the management or operation of the SFS business or the NRG business.
- c) The Staffing DoA provided to NRG for the purposes of reviewing Non-Standard Staffing Requests is granted only to the Staffing Authorised Individual.
- d) . No additions or changes to the Staffing Authorised Individual providing oversight of the Non-Standard Staffing Requests of the SFS business shall be made under this derogation without the prior written consent of the CMA (including via email).
- e) The Staffing Authorised Individual will sign a non-disclosure agreement, in a form approved by the CMA, which:
 - (i) covers the treatment of any commercially sensitive information they receive as a result of the Staffing DoA; and
 - (ii) ensures that any SFS information accessed for the purposes of the Staffing DoA would only be used for decisions on Non-Standard Staffing

Requests for cash flow purposes, and not for any other business purposes.

- f) The CMA can amend each of the Non-Standard Staffing Requests, as defined in Annex 2, at any time in writing (including via email) if it subsequently reaches a view that any of the Non-Standard Staffing Requests is impacting upon the independent operation of the SFS business.
- g) The Staffing Authorised Individual must not consult with any other individual in the NRG business in taking decisions on the Non-Standard Staffing Requests.
- h) The Staffing Authorised Individual will not seek to change the proposal made by the SFS business via SFS's senior management team in connection with the Non-Standard Staffing Requests, or seek to substitute their judgment with that of SFS's senior management team, except for the purposes of condition (m) below.
- i) The Staffing Authorised Individual will only review requests relating to Non-Standard Staffing Requests from a cash flow perspective where the business case for these has already been approved by SFS's senior management team.
- j) The Staffing Authorised Individual will only review the minimum information strictly necessary to make a decision on the Non-Standard Staffing Requests for cash flow purposes only, including:
 - (i) the relevant role at SFS;
 - (ii) the current and proposed salaries; and
 - (iii) details of any additional proposed financial incentives.
- k) The CMA will be notified at least 24 hours in advance of each instance of reporting of a Non-Standard Staffing Request to the Staffing Authorised Individual.
- l) The Staffing Authorised Individual is required to make a note of any requests they receive from the SFS business via SFS's senior management team in relation to this derogation and, at its request, the CMA will be provided with a summary of the information shared by the SFS business via SFS's senior management team with the Staffing Authorised Individual for the purposes of the escalation.
- m) In the event of a proposed veto, the Staffing Authorised Individual is required to make reasonable efforts to identify reasonable alternatives to the vetoed request in discussion with SFS's senior management team.

- n) Except where an alternative has been agreed with SFS's senior management team under condition (m) above, in the event of a proposed veto of a Non-Standard Staffing Request by the Staffing Authorised Individual, the Staffing Authorised Individual will notify the CMA of their reasons for vetoing at least 24 hours in advance of any such veto being exercised.
- o) IT firewalls and/or other ring-fencing measures will be put in place to prevent any unauthorised individuals within the NRG business from accessing the information shared with the Staffing Authorised Individual for the purposes of this derogation.
- p) Should remedial action be required by the CMA in relation to the Transaction, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the SFS business for the purposes of this derogation will be returned to the SFS business and any copies destroyed, except to the extent that record retention is required by law or regulation.
- q) This derogation will not result in any disruption to, or impact the viability of the NRG business or the SFS business.
- r) This derogation will not result in any pre-emptive action which might prejudice the outcome of a reference, nor prevent or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Matteo Alchini
Assistant Director, Mergers
Competition and Markets Authority
18 September 2026

ANNEX 1

Non-Standard Expenditure Requests subject to the proposed Expenditure DoA

[✂]

ANNEX 2

Non-Standard Staffing Requests subject to the proposed Staffing DoA

[✂]

ANNEX 3

Penalties for the provision of false or misleading information

Imposition of civil penalties

- 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.
- 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.

a) Amount of penalty

- 3) Under section 111(1) of the Act, a penalty imposed under section 110(1A) of the Act shall be of such amount as the CMA considers appropriate.
- 4) A penalty imposed under section 110(1A) of the Act on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- 5) Under section 111(4A) of the Act a penalty imposed under section 110(1A) of the Act 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.
- 6) In deciding whether and, if so, how to proceed under section 110(1A) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 116 of the Act at the time when the act or omission occurred.