

COMPLETED ACQUISITION BY PARAGON AUTOMOTIVE LIMITED OF THE FLEET REFURBISHMENT BUSINESS OF THE CAMDEN GROUP

UNDERTAKINGS GIVEN BY PARAGON AUTOMOTIVE LIMITED (PARAGON) TO THE OFFICE OF FAIR TRADING PURSUANT TO SECTION 71 OF THE ENTERPRISE ACT 2002

Pursuant to section 71 of the Enterprise Act 2002, for the purpose of preventing pre-emptive action, Paragon hereby gives to the OFT the following undertakings (the undertakings) in respect of the acquisition by Paragon of the fleet refurbishment business (the target) of Camden Group Services Limited.

Management of the parties' respective businesses until determination of proceedings

1. Except with the prior written consent of the OFT, Paragon undertakes that it will not during the specified period take any action which might:
 - (a) lead to the integration of Paragon with all or any part of the target;
 - (b) transfer the ownership or control of Paragon or the target;
 - (c) otherwise impair the ability of the Paragon or the target to compete independently in any markets affected by the acquisition; or
 - (d) otherwise prejudice any reference to the CC or impede the taking of any action under the Act which may be justified by the CC's decisions on any such reference.

2. Without prejudice to the generality of paragraph 1, except with the prior written consent of the OFT, Paragon will at all times during the specified period, procure that:
 - (a) the target's business is carried on separately from Paragon's business and separate sales of the target business are maintained;
 - (b) the target and Paragon are each maintained as going concerns and sufficient resources are made available for the development of the target business and Paragon's business on the basis of their respective pre-merger plans;
 - (c) no substantive changes are made to key staff or to the organisational structure of, or the management responsibilities within the target business or Paragon's business;
 - (d) in relation to the assets of each of the target and Paragon, and otherwise than in the ordinary course of business:
 - i. the assets are maintained and preserved, including facilities and goodwill;
 - ii. none of the assets is disposed of; and

- iii. no interest in the assets is created or disposed of;
- (e) the nature, description, range and standard of goods and/or services supplied in the United Kingdom by the target and Paragon at the date of these undertakings are in all material respects maintained and preserved;
- (f) there is no integration of the information technology of the target with the information technology of Paragon and the respective software and hardware platforms of the target and Paragon shall remain unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of each of the target and Paragon shall be operated and updated separately and any negotiations with the customers and suppliers in relation to the target business will be carried out by the target business alone and for the avoidance of doubt Paragon will not negotiate on behalf of the target or enter into any joint agreements with the target;
- (h) all existing contracts continue to be serviced by the business to which they were awarded;
- (i) all reasonable steps are taken to encourage all key staff of the target and Paragon to remain with the business in relation to which they were employed prior to the merger;
- (j) no business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the target or Paragon ("Confidential Information") shall pass, directly or indirectly from the target (or any of its employees, directors, agents or affiliates) to Paragon (or any of its employees, directors, agents or affiliates) or vice versa, except:
 - i. where strictly necessary in the ordinary course of business and on the basis that, should the merger be prohibited, any records or copies (electronic or otherwise) of such information wherever they may be held will be returned to the relevant business and any copies destroyed other than as may be required for the purposes of regulatory compliance under applicable law; and
 - ii. where the flow of Confidential Information from the target (or any of its employees, directors, agents or affiliates) to Paragon (or any of its employees, directors, agents or affiliates) is permitted to the extent that such disclosure of information is strictly necessary for compliance with external regulatory and/or accounting obligations.

Compliance

3. Paragon shall procure that each of its subsidiaries complies with these undertakings as if it had given them.
4. Paragon shall forthwith provide to the OFT such information as the OFT may from time to time require for the purposes of monitoring compliance by Paragon and its subsidiaries with these undertakings. In particular, on the 1 June 2009 and subsequently every 10 working days thereafter (save where the obligation does not fall on a working day, in which case the first working day thereafter), the Chief Executive Officer of Paragon shall provide a statement to the OFT on behalf of Paragon confirming compliance with these undertakings in the form set out in the Appendix to these undertakings.
5. At all times, Paragon will actively keep the OFT informed of any material developments relating to the target business, which includes, but is not limited to:
 - i. details of key staff who leave or join the target's business or Paragon's business;
 - ii. any of the target's or of Paragon's plant breakdowns which have halted production for more than 24 hours or changes in the target business or in Paragon's production arrangements which have affected the working pattern of more than five of the target's or of Paragon's employees;
 - iii. all substantial customer volumes won or lost by the target or by Paragon, including any substantial changes in customers' demand; and
 - iv. substantial changes in the target's or in Paragon's contractual arrangements or relationships with key suppliers.
6. Paragon shall comply with such written directions as the OFT may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings.

Interpretation

7. Notwithstanding the other provisions of these undertakings Paragon reserves the right to maintain in force during the specified period those steps of integration between Paragon's business and the target's business that were implemented prior to 5 May 2009, which shall accordingly not constitute a breach of any of the terms of the undertakings.
8. The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

9. For the purposes of these undertakings:

“the Act” means the Enterprise Act 2002;

“an affiliate” of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under the common control for the purposes of section 26 of the Act;

“business” has the meaning given by section 129(1) and (3) of the Act;

“the CC” means the Competition Commission;

“control” shall be construed in accordance with section 26 of the Act and in the case of a body corporate, a person shall be deemed to control it if he holds, or has an interest in, shares of that body corporate which amount to 10 per cent or more of its issued share capital or which carry an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

“the decisions” means the decisions of the CC on the questions which it is required to answer by virtue of section 35 of the Act;

“key staff” means staff in positions of executive or managerial responsibility and/or whose performance could materially affect the viability of the business;

“the merger” means the creation of the relevant merger situation between Paragon's business and the target business;

“the OFT” means the Office of Fair Trading, provided that, should the CC adopt these undertakings pursuant to section 80(3) of the Act, references to “the OFT” in paragraphs 1 and 2 of these undertakings shall be taken as references to the CC, and references to “the OFT” in paragraphs 4, 5 and 6 of these undertakings shall be taken to include both the Office of Fair Trading and the CC;

“the ordinary course of business” means matters connected to the day to day supply of goods and/or services by the target or by Paragon and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of the target or Paragon;

“the specified period” means the period beginning on the date of these undertakings and terminating either at the end of the period specified in section 71(5) or (6) of the Act or, should the CC adopt these undertakings pursuant to section 80(3) of the Act, the end of the period specified in section 80(7) or (8) of the Act;

“subsidiary”, unless otherwise stated, has the meaning given by section 736 of the Companies Act 1985 (as amended);

“Paragon” means Paragon Automotive Limited;

“Paragon's business” means the business of Paragon and its subsidiaries carried on as from 4 March 2009;

“working day” mean any day of the week other than a Saturday, Sunday or any other day that is a public holiday in England;

“the target” means the fleet refurbishment business of Camden Group Services Limited.
and its subsidiaries carried on as from 4 March 2009

In these undertakings unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF PARAGON

..... Signature Signature

..... Name Name

..... Title Title

..... Date Date

(Director)

(Director/Company Secretary)