

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 4 February 2016

Completed acquisition by Peninsula Business Services Group Limited of Croner Group Limited

We refer to your correspondence dated 11 February 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 4 February 2016 (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, Rainy City and Peninsula are required to hold separate the Croner business from the Rainy City 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, Rainy City and Peninsula may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 5(a), 5(e) and 5(f) of the Initial Order

We understand that certain [X] utilised by the Croner Business [X].

To ensure the continuity and viability of the Croner business, Rainy City and Peninsula are permitted to complete the transition (underway when the Order was issued) of the Croner business to [X]. This is on the basis that in each case [X] will be established on a completely standalone and entirely self-sufficient basis from that utilised by the Rainy City business, [X].

2. Paragraphs 4(a), 5(e) and 5(f) of the Initial Order

We understand that the [X] utilised by the Croner Business are [X].

To ensure the continuity and viability of the Croner business, Rainy City and Peninsula are permitted to replace certain pieces of hardware (including the phone system), and [REDACTED] of the Croner business. This is on the basis that these systems will be standalone, will not require any interaction with the Rainy City business, [REDACTED].

3. Paragraphs 4(a), 5(f) and 5(l) of the Initial Order

We understand that there is currently no [REDACTED] remaining in the Croner Business as this was previously carried on by WKUK.

To ensure the continuity and viability of the Croner business, Rainy City and Peninsula are permitted to migrate [REDACTED] the Croner business [REDACTED]. This will include a completely separate set of sales, purchase and general ledgers. This is on the basis that the instance of [REDACTED] will be maintained on a standalone basis, [REDACTED].

In addition, all Peninsula staff involved in this transition and any that remain involved thereafter will be required to sign non-disclosure agreements (**NDAs**) in advance in a form approved by the CMA.

4. Paragraphs 4(a) and 5(a) of the Initial Order

We understand that the Croner business previously made use of the central procurement services of WKUK Kingston and that no confidential or otherwise sensitive information is involved in these services, which are predominantly 'back-office' in nature.

To ensure the continuity and viability of the Croner business, Rainy City and Peninsula are permitted to source Peninsula's procurement, print, post and stationary services in common with the Croner business.

5. Paragraphs 4(a), 5(a) and 5(f) of the Initial Order

Rainy City and Peninsula are permitted to use Peninsula's Building Manager to assess the condition of Croner House and to report on this to Croner management; and to use Peninsula's Head of IT to coordinate the migration and upgrading of the Croner business's IT systems and infrastructure.

Notification requirements

In the event that any of the above actions result in disclosure of information of the Croner Business to individuals outside the Croner business, outside the scope of these derogations, and other than where relevant under the terms of the CMA-approved NDAs, this disclosure must be reported immediately to the CMA.