

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 November 2023

Completed acquisition by Lindab Limited of HAS-Vent Holdings Limited (the ‘Merger’)

We refer to your submissions dated 12, 28 and 29 November 2024 requesting that the CMA consents to derogations from the Initial Enforcement Order of 10 November 2023 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save with the written consent of the CMA, Lindab, Lindab UK and HAS-Vent are required to hold separate the HAS-Vent business from the Lindab 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, Lindab and HAS-Vent (individually a **Party** and together the **Parties**) may carry out the following actions, in respect of the specific paragraphs:

(1) Paragraph 5(l) of the Initial Order – Integration Planning

The CMA's Final Report of 15 October 2024 sets out the CMA's finding that the Merger has resulted, or may be expected to result, in a substantial lessening of competition in the two local areas centred around Nottingham and Stoke-on-Trent (the **SLC Areas**) and that Lindab must market for sale all four of the Lindab and HAS-Vent branches in the SLC Areas (the **Divestment Branches**) in an open and transparent sales process, and ultimately divest two Divestment Branches (one in the Nottingham area and one in the Stoke-on-Trent area). The aforementioned requirements will be given effect either through acceptance of Final Undertakings or issue of a Final Order.

The Parties submit that a limited number of Lindab employees and HAS-Vent employees, as defined in Annex 1 (the **Integration Planning Authorised Individuals**), require access to certain HAS-Vent and Lindab commercially sensitive information, respectively, as is strictly necessary for the purpose of integration planning (the Party's **Integration Planning CSI**). This is information which is strictly necessary to carry out the following limited number of integration planning workstreams: (the **Integration Planning Workstreams**):

1. [✂].
2. [✂].

The CMA considers that a derogation from paragraph 5(l) of the Initial Order is required to allow (i) disclosure of the relevant Party's Integration Planning CSI to the other Party's Integration Planning Authorised Individuals, orally or in writing, as is strictly necessary for the purpose of carrying out the Integration Planning Workstreams.

The CMA consents to a derogation from paragraph 5(l) of the Initial Order, strictly on the basis that:

- 1) this derogation will not result in any integration between Lindab and HAS-Vent and this derogation will be strictly limited to planning (i.e. the Parties will not take any steps towards implementing integration);
- 2) disclosure of the relevant Party's Integration Planning CSI will be limited to that which is directly related to the Integration Planning Workstreams and will only be disclosed to the other Party's Integration Planning Authorised Individuals;
- 3) for the avoidance of doubt, the Party's Integration Planning CSI will not include any information specific to its Divestment Branches (which may include, but would not be limited to, information on the Divestment Branches' staff, customers, or operations);
- 4) all Integration Planning Authorised Individuals shall enter into a confidentiality undertaking in a form approved by the CMA;
- 5) no changes to the list of Integration Planning Authorised Individuals covered by this derogation are made without prior written consent from the CMA (which can be given via email);
- 6) no changes to the list of Integration Planning Workstreams covered by this derogation are made without prior written consent from the CMA (which can be given via email);
- 7) firewalls will be put in place by the Parties to prevent any unauthorised individuals from accessing any of the other Party's Integration Planning CSI shared with the Integration Planning Authorised Individuals for the purposes of this derogation;

- 8) should the Integration Planning Authorised Individuals plan to share Integration Planning CSI orally, they will first share with the monitoring trustee the Parties were directed to appoint on 10 November 2023 (the **MT**) an agenda for the relevant meeting, and invite the MT to attend the relevant meeting;
- 9) this derogation will not result in any pre-emptive action which might impede the divestment of the Divestment Branches.

(2) Paragraphs 4, 5 and 8 of the Initial Order – Integration Implementation

The CMA understands that the Parties each have branches [REDACTED]. These are each listed in Annex 2 and are henceforth referred to as the '**Unrelated Branches**'.

The CMA therefore consents to exempting the Unrelated Branches from each of the provisions in paragraphs 4, 5, and 8 of the Initial Order strictly on the basis that

- 1) where possible, each Unrelated Branch will continue to respond positively and without delay to ad hoc requests from the Divestment Branches [REDACTED]; and
- 2) there will be no change to the manufacturing arrangements at any of the Unrelated Branches which provide support to, or supply products to, the Divestment Branches, without the CMA's prior written consent.

(3) Paragraphs 5(a) and 5(g) of the Initial Order – Supply [REDACTED]

The CMA understands that HAS-Vent currently [REDACTED]. Lindab proposes to [REDACTED].

The CMA understands that:

- i) [REDACTED].
- ii) [REDACTED].
- iii) In the event that one or more HAS-Vent Divestment Branches are divested, the purchaser or purchasers of those branches will be able to promptly [REDACTED] if it is advantageous for it / them to do so.

The CMA consents to [REDACTED] on the basis that the understanding set out in (i) to (iii) above is accurate and that, as a result, the derogation will not impede the divestment of the Divestment Branches.

(4) Paragraphs 4(a), 5(a) and 5(l) of the Initial Order – [REDACTED]

The CMA understands that the Parties have many customers in common (the **Shared Customers**). The Parties submit that the Shared Customers [REDACTED]. Therefore, the Parties

request that [X], named in Annex 3 and referred to henceforth as the [X] **Authorised Individuals**, be allowed to review the Parties' [X].

The CMA consents to a derogation from paragraphs 4(a), 5(a) and 5(l) of the Initial Order, strictly on the basis that:

- 1) the [X] Authorised Individuals will access only [X] (together, the [X] **Customer CSI**);
- 2) [X] Customer CSI will be disclosed only to the [X] Authorised Individuals;
- 3) no changes to the list of [X] Authorised Individuals are made without prior written consent from the CMA (which can be given via email);
- 4) all [X] Authorised Individuals shall enter into a confidentiality undertaking in a form approved by the CMA;
- 5) firewalls will be put in place by the Parties to prevent any unauthorised individuals from accessing any of the [X] Customer CSI shared with the [X] Authorised Individuals for the purposes of this derogation;
- 6) only Shared Customers that are not served from a Divestment Branch [X] Authorised Individuals or [X] under this derogation.
- 7) this derogation will not result in any pre-emptive action which might impede the divestment of the Divestment Branches.

Yours sincerely

Colin Garland
Director
Competition and Markets Authority
18 December 2024

Annex 1 – Integration Planning Authorised Individuals

Lindab

- [✂];
- [✂];
- [✂]; and
- [✂];

HAS-Vent

- [✂];
- [✂];
- [✂]; and
- [✂].

Annex 2 – Unrelated Branches

Lindab:

- Aberdeen
- Basildon
- Belfast
- Bilston (Ductmann)
- Bristol
- Cardiff
- Croydon
- Enfield
- Exeter
- Glasgow
- High Wycombe
- Kent
- Leeds
- Leicester
- Lincoln
- Newcastle
- Norwich
- Sheffield
- Southampton
- Warrington (Ductmann)

[✂].

HAS-Vent

- Bury
- Eastleigh
- Hailsham
- Leeds
- Liverpool
- Rochester
- Tottenham.

[✂].

Annex 3 – Credit Control Authorised Individuals

Lindab:

- [REDACTED]; and
- [REDACTED].

HAS-Vent:

- [REDACTED];
- [REDACTED];
- [REDACTED]; and
- [REDACTED].