

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 1 July 2016

Anticipated acquisition by Co-operative Food Ltd and Co-operative Group Ltd of eight My Local Stores

We refer to your letter and supporting documents dated 21 July 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 1 July 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, CGL and CFL are required to hold separate the Target Stores businesses from the CFL business and refrain from taking any action which might prejudice a reference under section 22 or 33 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 exceptional circumstances of this case, in particular the administration procedure in respect of MLCG, CGL and CFL may carry out the following actions, in respect of the specific paragraphs:

Paragraph 6(e) and 6(f)(i) of the Initial Order

The CMA accepts the request for derogation from the above paragraphs to allow CGL to maintain the closure of the three stores as defined under (a)(iv)-(vi) of the Initial Order (the **Three Stores**) until Wednesday 10 August 2016. This is permitted on the basis that the ongoing closure is required for CGL to install the EPOS system which was the subject of the CMA's derogation letter dated 4 July 2016 and to carry out other works necessary to comply with its legal obligations with respect to health and safety.