

## **ACQUISITION BY RENTOKIL INITIAL PLC OF CANNON HYGIENE LIMITED**

### **Derogation from Interim Order**

#### **Background**

- A. On 5 July 2018 the Competition and Markets Authority (CMA) made an Interim Order pursuant to [section 81](#) of the Enterprise Act 2002 (the Act) applying to Rentokil Initial Plc ('Rentokil') and Cannon Hygiene Limited ('Cannon') (together 'the Parties') to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA under Part 3 of the Act which may be justified by the CMA's decisions on the Reference. The derogations adopted in respect of the Phase 1 Initial Enforcement Order (IEO) continue to apply to the Interim Order.
- B. The Reference has not been finally determined in accordance with [section 79](#) of the Act.
- C. The Interim Order prohibits certain actions without the prior consent of the CMA.

#### **Derogation requests and CMA consent**

##### ***Paragraph 5(m) of Interim Order***

1. On 19 July 2018, the CMA was informed that the Parties were seeking permission for four identified employees (Annex 1) within Rentokil's central finance function to receive access to commercially-sensitive information of Cannon in order to support Rentokil's statutory quarterly reporting obligations (which includes the Cannon business). The information concerned relates to Cannon's revenues, profits, cash and margin. The four employees identified are employed at the Rentokil Group level rather than Rentokil Initial's operational washroom business.
2. The Parties proposed a series of controls to minimise the risk of any information being transferred between the Rentokil and Cannon businesses (in line with the Interim Order), specifically:

- (a) The information required will be provided via a ring-fenced secure database to which access will be limited to the Rentokil named individuals;
  - (b) Disclosure of information to the Rentokil named individuals will be limited to that which is strictly necessary for the purpose of preparing Rentokil's statutory quarterly reports;
  - (c) The Rentokil named individuals will enter into a confidentiality agreement, the form of which will be agreed with the CMA;
3. On 21 July 2018, the CMA consented to the derogation request of the Parties in respect of paragraph 5(m) of the Interim Order, subject to the controls outlined above.
4. Further, the CMA reserves the right to increase or decrease the number of Rentokil named individuals who have been granted permission by the CMA to receive access to commercially-sensitive information of Cannon for the abovementioned purpose.

Signed by authority of the CMA

Anne Lambert  
CMA Group Chairman  
23 July 2018

**Annex 1**

<b>Area</b>	<b>Employee</b>	<b>Role in Rentokil</b>	<b>Intended support to Cannon</b>
Finance	[✂]	[✂]	Prepare interim financial results
	[✂]	[✂]	
	[✂]	[✂]	
	[✂]	[✂]	