

Completed acquisition by Rentokil Initial PLC of MPCL Limited

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 9 October 2018

We refer to your emails of 12 October 2018 and 16 October 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 9 October 2018 (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, Rentokil Initial plc ('Rentokil Initial') is required to hold separate the MPCL business from the Rentokil Initial business and refrain from taking any action which might prejudice a reference under section 22 of the Enterprise Act 2002 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, Rentokil Initial and MPCL Ltd ('MPCL') may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) of the Initial Order

Rentokil Initial has informed the CMA that an interim management team has been put in place in respect of MPCL prior to the commencement date of the Initial Order. Rentokil Initial submitted that the current Managing Director of MPCL was appointed on an interim basis; his term will expire on [REDACTED]; he has [REDACTED]; and no other employee at MPCL is suitable to carry out this function.

Rentokil Initial proposes to appoint [REDACTED] as the Managing Director of MPCL's interim management team to carry out the typical duties of a managing director, eg implementation of company policy. Rentokil Initial submitted that [REDACTED] has the relevant industry expertise ([REDACTED]), he is not currently, or has not previously been employed by Rentokil Initial, and has not been exposed to strategically significant or commercially sensitive information regarding the Rentokil Initial business in the UK or elsewhere and will, if appointed, remain bound by the terms of the Initial Order, including the terms of any derogations which are granted by the CMA. [REDACTED] will be employed [REDACTED].

To allow MPCL to be carried on as a going concern, the CMA consents to the appointment of [X] as Managing Director of MPCL under the terms set out below:

- (a) In his role as Managing Director of MPCL, [X] will be fully briefed on his obligations under the Initial Order.
- (b) [X] will sign the fortnightly compliance reports on behalf of MPCL (in accordance with paragraph 7 of the Initial Order).
- (c) [X] will enter into a confidentiality agreement, the form of which will be agreed with the CMA.

2. Paragraphs 5(c), 5(i), 5(j) and 5(l) of the Initial Order

Rentokil submitted that MPCL does not have any internal legal team, as it previously benefited from legal support from Mitie Group plc. As a result, MPCL does not have the expertise or capacity to assist the CMA in any queries or requirements in a timely manner without support from Rentokil Initial.

Rentokil Initial proposes [X] (Rentokil Initial General Counsel and Rentokil Initial Company Secretary) and [X] (Rentokil Initial Senior Legal Counsel) be appointed as project leads on behalf of both Rentokil Initial and MPCL for the purpose of assisting MPCL with questions raised by the CMA as part of the CMA's investigation. These two individuals are familiar with the industry and therefore would be able to answer possible questions MPCL employees might have on the CMA queries. Whilst Rentokil acknowledges that [X] and [X] may be exposed to commercially-sensitive information of MPCL as a result of performing the project lead role, [X] and [X] do not have any commercially strategic decision-making roles within Rentokil and are prepared to sign a confidentiality undertaking to protect the confidential nature of any MPCL business related commercially sensitive information.

To allow the MPCL business to efficiently assist the CMA in its merger investigation, the CMA consents to [X] and [X] receiving information relating to MPCL for the purpose of assisting the CMA's investigation on the terms set out below:

- (a) [X] and [X] will enter into a confidentiality agreement, the form of which will be agreed with the CMA.
- (b) Disclosure of information to [X] and [X] will be limited to that which is strictly necessary for the purpose of acting as project leads for MPCL during the course of the CMA's merger investigation.
- (c) [X] and [X] will not dictate or instruct how MPCL should answer the CMA's queries.

3. Paragraphs 5(l) of the Initial Order

In order to enable Rentokil Initial to comply with external regulatory and/or accounting obligations, Rentokil Initial has requested consent to receive a limited amount of commercially-sensitive, confidential and proprietary information of MPCL including health and safety reporting, P&L forecasts, balance sheet and cashflow statements and ad-hoc reporting of key issues and governance matters.

Rentokil Initial is proposing that a reporting pack (the format of which will be agreed with the CMA) be provided by [X] to [X] (the Rentokil Initial CFO and CIO) on a monthly basis.

To ensure that Rentokil Initial is able to meet its external regulatory and/or accounting obligations, the CMA consents to the communication of a monthly reporting pack, provided that:

- (a) Disclosure of information to the Rentokil Initial CFO and CIO will be limited to that provided for in the template approved by the CMA.
- (b) The Rentokil Initial CFO and CIO will enter into a confidentiality agreement, the form of which will be agreed with the CMA.
- (c) The Rentokil Initial CFO and CIO will not take part in any commercial or strategic decision making or attend meetings discussing these matters in relation to the Rentokil's pest control business in the UK.