

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED  
PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002  
COMPLETED ACQUISITION**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 24 December 2018 as varied on 22 January 2019.

**Completed acquisition by Ecolab Inc. of The Holchem Group Limited**

We refer to your letter dated 3 May 2019 requesting that the CMA consents to derogations to the Initial Enforcement Order of 24 December 2018 (later, varied pursuant to a variation order dated 22 January 2019) (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, Ecolab Inc. ("**Ecolab**"), Ecolab U.S. 2 Inc. ("**Ecolab US**") and Ecolab (U.K.) Holdings Limited ("**Ecolab UK**") are required to hold separate the Ecolab business from The Holchem Group Limited ("**Holchem**") business (together, the "**Parties**") 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 IEO, based on the information received from you and in the particular circumstances of this case, Ecolab may carry out the following actions, in respect of the specific paragraphs of the IEO.

**1. Paragraphs 5(b), 5(e), 5(i) and 5(k) of the IEO**

Ecolab has submitted that it acquired a former RP Adam Limited ("**RP Adam**") manufacturing facility on 4 December 2017. Ecolab intends to incorporate RP Adam into the wider Ecolab manufacturing network and cease production at the RP Adam manufacturing plant in Selkirk, Scotland. Ecolab has six manufacturing sites in the UK other than Selkirk. [X] Ecolab plans to close down this plant and transfer production to other Ecolab plants.

Ecolab submitted that the lease for the Selkirk plant expires in December 2019. Ecolab submitted that it is required to undertake a statutory redundancy consultation (which it submitted can take 90 days or more) and, in addition, under the terms of the lease it will be required to take a number of steps at the facility (known as phased dilapidations) before the lease expires (which Ecolab submitted is expected to take around 13 weeks). Given this, Ecolab submitted that it aims to close the site by late September 2019 and to announce the closure as soon as possible.

In considering the request we noted that the Selkirk plant is not and has never been used by Ecolab to supply cleaning chemicals to UK food and beverage customers (which is the focus of our inquiry). We also note that closing the Selkirk facility is unlikely to prejudice our ability to impose any remedy that we might require in our inquiry, create a risk of pre-emptive action or amount to integration between the merger parties.

The CMA gives its consent for Ecolab to close down the former RP Adam manufacturing facility in Selkirk, Scotland.

Yours sincerely

Timothy Geer  
*Director, Mergers*

**14 May 2019**