

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

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 10 June 2020

Completed acquisition by Elis UK Limited of Central Laundry Limited (the 'Merger')

Dear Ms [X],

We refer to your submissions dated 17, 19 and 30 June 2020 and 8 and 15 July 2020 requesting that the CMA consents to derogations to the Initial Enforcement Order of 10 June 2020 (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, Elis S.A., Berendsen Limited and Elis UK Limited (together '**Elis**') are required to hold separate the Elis S.A. business from the CLL 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, Elis may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 5(a), 5(c) and 5(e) of the Initial Order

Elis submitted that, following the Merger, all of CLL's [X] was transferred to Elis UK. Elis UK is now proposing to [X] to allow it to operate independently of Elis UK. To provide additional security over its [X], CLL will implement a requirement that [X].

On this basis, Elis has sought the CMA's consent to a derogation from paragraphs 4(a), 5(a), 5(c) and 5(e) of the Initial Order permitting:

- a) The return of [X]; and
- b) The addition of the CLL staff listed in Annex 1 as [X] (including arrangement for any board resolution required by [X] to make such arrangements).

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

- a) the addition of the CLL staff listed in Annex 1 as [X] would not be costly or difficult to reverse;
- b) no further changes to the CLL staff listed in Annex 1 are permitted without prior written consent from the CMA (including via email); and

c) this derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

For the avoidance of doubt, this derogation does not permit the sharing of any commercially sensitive or confidential information between Elis and CLL.

Karina Kucaidze
Assistant Director, Mergers
22 July 2020

Annex 1 – Permitted CLL Staff

Name	Role
[✂]	Sales Manager, CLL