

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 [REDACTED],

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. Paragraph 5(c) of the Initial Order

Elis submitted that the economic effects of the Coronavirus pandemic, [REDACTED]. Elis UK has identified a number of [REDACTED] that it proposes to make redundant in order to maintain the Elis UK business as a going concern. For the avoidance of doubt, these redundancies only relate to Elis UK and [REDACTED]. Further, not all personnel associated with the roles listed in Annex 1 are [REDACTED].

On this basis, Elis has sought the CMA's consent to a derogation from paragraph 5(c) of the Initial Order for Elis UK to implement the redundancies in respect of Elis UK as set out in Annex 1.

The CMA consents to a derogation from paragraph 5(c) of the Initial Order strictly on the basis that:

- a) Only the [REDACTED] personnel listed in Annex 1 will be made redundant;
- b) No further changes to the personnel listed in Annex 1 are permitted without prior written consent from the CMA (including via email);

- c) None of the roles listed in Annex 1 are considered key staff within the meaning of the Initial Order and making them redundant will not result in any material change to the organisational structure or the management responsibilities of Elis UK;
- d) All of the work previously undertaken by the personnel identified in Annex 1 can be adequately covered and performed by remaining Elis UK employees and will not impact the nature, description, range and quality of goods and/or services supplied in the UK; and
- e) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

Maria Duarte
Assistant Director, Mergers
30 July 2020

	
	
	
	