

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 [X],

We refer to your submissions dated 29 July and 4 August 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 5(c) and 5(i) of the Initial Order

Elis submitted that [X] a member of the Elis Executive Committee ('**ExCo**') is stepping down from these positions in August 2020. He is to be replaced [X] as a member of the Elis ExCo by [X].

The CMA understands that this represents a change to the key staff and organisational structure of the Elis S.A. business and so Elis has sought the CMA's consent for a derogation from paragraphs 5(c) and 5(i) of the Initial Order for:

- 1) [X] to step down as a member of the Elis ExCo; and
- 2) [X] to replace [X] as a member of the Elis ExCo.

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

- a) [X] will only be replaced by [X];
- b) [X] has the relevant expertise and experience necessary to undertake the role of a member of the Elis ExCo;
- c) [X] will not have any direct or individual oversight or responsibility for Elis UK;

- d) This derogation does not permit any other changes to the key staff of any Elis entity to which the Initial Order applies or the organisational structure of, or the management responsibilities within the Elis S.A. business; and
- e) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

Karina Kucaidze
Assistant Director, Mergers
13 August 2020