

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 ('CLL') (the 'Merger')

Dear Ms [X],

We refer to your submissions dated 11 September 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(i) of the Initial Order

CLL submitted that CLL's [X] has handed in their notice of resignation and plans to leave CLL on 30 September 2020. As a result, CLL needs to appoint a new [X]. The CMA understands that the role of [X] is considered "key staff" within the meaning of the Initial Order.

CLL intends to find a replacement [X] to start on 30 September 2020 and is currently advertising the position. CLL intends to retain the key [X] responsibilities attaching to the [X] role, though will reduce non-[X] responsibilities attaching to the role in order to facilitate more easily the identification of a suitable replacement. These non-[X] responsibilities will be assumed by appropriately qualified existing CLL staff.

On this basis, the CMA consents to a derogation from paragraph 5(i) of the Initial Order permitting:

- i. the resignation of CLL's [X]; and
- ii. CLL appointing a replacement to undertake the [X] role.

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

- a) The departing [X]'s responsibilities will be assumed by a newly hired [X];
- b) Any of the departing [X]'s responsibilities that are not assumed by the newly hired [X] will be assumed by appropriately qualified existing CLL staff;
- c) None of the departing [X]'s responsibilities will be redistributed to any Elis personnel;
- d) The newly hired [X] will be appropriately skilled and qualified to carry out the role. As such, the appointment of the new [X] will not impact the viability and ongoing operation of the CLL business;
- e) The newly hired [X] will be employed by CLL;
- f) The newly hired [X] will be independent of Elis;
- g) If CLL is unable to find a suitable candidate to replace the [X] by 30 September 2020, CLL will use an employment agency to find a suitable candidate;
- h) CLL must notify the CMA if a suitable candidate is not found by 30 October 2020;
- i) This derogation will not lead to any integration of the Elis and CLL businesses; and
- j) This derogation shall not prevent any remedial action that the CMA may need to take regarding the Merger.

Karina Kucaidze
Assistant Director, Mergers
15 September 2020