

**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 February 2021.

Completed acquisition by Bellis Acquisition Company 3 Limited, jointly controlled by Mr. Mohsin Issa and Mr. Zuber Issa (the Issa Brothers), and funds managed by TDR Capital LLP (TDR Capital), of Asda Group Limited (Asda), (the Acquisition).

We refer to your submissions of 5 February 2021 requesting that the CMA consents to a derogation from the Initial Enforcement Order of 10 February 2021 (the '**Initial Order**'). Unless otherwise stated, 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, Mr Mohsin Issa, Mr Zuber Issa, TDR Capital III Holdings L.P., TDR Capital III Investments (2019) L.P., TDR Capital, and Asda (the **Addressees**) are required to hold separate the Asda business from the EG business and refrain from taking any action which might prejudice a reference under section 22 or 33 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the Addressees carrying out the following actions, in respect of the specific paragraph:

Paragraph 6(e) of the Initial Order

The CMA understands that, on 11 February 2021, Asda closed its former petrol filling station ('**PFS**') site at Leeds Bridge, Meadow Lane, Leeds, LS11 5BJ. Asda submits that it had to close the site because of changes to traffic flow that will be implemented by Leeds City Council. Specifically, following these changes, only buses and taxis will be eligible to pass by this PFS between 7am and 7pm. [X].

The CMA also understands that Asda intends to sell this site to a third-party property developer in March 2021. The CMA understands that the decision to close and sell the PFS site has been made by Asda independently of the Acquisition, as well as of EG and EG's shareholders.

The CMA consents to a derogation from paragraph 6(e) of the Initial Order to permit the sale of the Leeds Bridge PFS site, strictly on the understanding that:

- (a) this sale will not affect the viability or ongoing operation of the Asda business post-completion;
- (b) this derogation will not result in any integration between the Asda business and the EG business; and
- (c) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

Ricardo Zimbron

Assistant Director, Mergers

18 February 2021