

**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 submission of 18 March 2021 requesting that the CMA consents to derogations 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. In particular, under the Initial Order, the Addressees are required to procure that, except with the prior written consent of the CMA, Asda takes all reasonable steps to encourage all key staff of the Asda business to remain and that no changes are made to key staff of the Asda business.

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, the CMA consents to the Addressees carrying out the following actions, in respect of the specific paragraphs:

**Paragraphs 6(c) and 6(i) of the Initial Order**

Asda submits that in March 2021, Ms Steph Strike, the current Vice President (VP) of George, resigned her position and it was agreed that she would leave Asda at the end of May 2021.

Asda further submits that, despite Asda taking all reasonable steps to encourage Ms Strike to remain, Ms Strike decided to leave Asda in order to move to a new role at another employer. The CMA understands that Asda will engage in recruiting a replacement and will submit a derogation request with respect to the new appointment at the appropriate time.

The CMA consents to a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit Ms Strike leaving the Asda business, strictly on the basis that:

- (a) Asda will seek a replacement with the relevant expertise and experience necessary to perform the role of VP of George. As such, Ms Strike leaving Asda will not impact the viability and ongoing operation of the Asda business.
- (b) Ms Strike will ensure a smooth handover of her responsibilities to her replacement.
- (c) This derogation will not result in any integration between the Asda business and the EG business.
- (d) 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

8 April 2021