

**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 (the ‘Act’) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (‘CMA’) on 26 October 2021.**

**Completed acquisition by Clayton, Dubilier and Rice of Wm Morrison Supermarkets Plc (‘Morrisons’) (the ‘Acquisition’).**

We refer to your submissions of 25 October 2021 and 1 November 2021 requesting that the CMA consents to a derogation from the Initial Enforcement Order of 26 October 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, Clayton, Dubilier & Rice Holdings, LLC, Motor Fuel Limited, CD&R Firefly Holdco Limited, Market Bidco Limited (‘**Bidco**’) and Market Topco Limited (collectively referred to as the ‘**Acquirer Group**’), and Morrisons (together with the Acquirer Group the ‘**Addressees**’) are required to hold separate the Acquirer Group business from the Morrisons 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 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 paragraphs:

**1. Paragraph 6(c) – Enabling Morrisons to adopt new Articles of Association**

The CMA understands that following completion of the Acquisition on 27 October 2021, the intention is for Morrisons to become a private limited company. As part of the re-registration as a private limited company, Morrisons is legally required to adopt new Articles of Association suitable for a private limited company. The new Articles of Association will be based on the Model Articles for private companies limited by shares set out in the Companies (Model Articles) Regulations 2008 (as amended), subject to certain differences explained in the Addressees’ submission of 25 October 2021.

The CMA consents to a derogation from paragraph 6(c) of the Initial Order to permit the Addressees to adopt the new Articles of Association. For the avoidance of doubt, the scope of this derogation is strictly limited to adopting new Articles of Association, and it does not permit any actions which would otherwise engage the Initial Order even if those actions are consistent with the new Articles of Association. The CMA grants this derogation strictly on the basis that:

- (a) this derogation will not affect Morrisons' assets (tangible or intangible);
- (b) this derogation will not result in any changes to staff/management of Morrisons;
- (c) this derogation will not result in any changes to customer and/or supplier contracts;
- (d) this derogation will not affect the viability of the Morrisons business;
- (e) no confidential or commercially-sensitive information will be shared between Morrisons and the Acquirer Group in connection with this derogation;
- (f) this derogation will not result in any integration between the Morrisons business and the Acquiring Group business; and
- (g) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

 [Redacted signature]

Anna Caro

Assistant Director, Mergers

5 November 2021