

**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 2 November 2021 and 4 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 (‘**CD&R**’), Motor Fuel Limited, CD&R Firefly Holdco Limited, Market Bidco Limited 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. Paragraphs 5(b), 6(c), 6(d), 6(e), 6(i), 6(k), and 9 – Exemption of certain CD&R portfolio companies from aforementioned provisions of the IEO

The CMA understands that as a private equity financial investor, CD&R has 31 portfolio companies, active in a variety of sectors across the world. However, CD&R has represented that other than CD&R’s interest in MFG, there are no other portfolio companies active in the supply of groceries or fuel, Morrisons’ primary activities. In addition, there are no other material actual or potential horizontal overlaps. CD&R has

also represented that there are only three immaterial actual or potential vertical links between Morrisons and CD&R portfolio companies other than MFG, namely:

- (i) American Greetings: a greeting cards supplier which supplies greeting cards to a number of retailers in the UK [X].
- (ii) Westbury Street: a contract caterer and hospitality services provider which [X];
and
- (iii) Multi-Color Corporation: a supplier of label solutions that [X]

In addition to the above, CD&R has submitted that there are no interdependencies between MFG and any other CD&R portfolio company.

The CMA consents to a derogation to exclude each of the CD&R portfolio companies listed in Annex 1 and their subsidiaries from paragraphs 5(b), 6(c), 6(d), 6(e), 6(i), 6(k), and 9 of the Initial Order strictly on the basis that:

- (a) None of the entities in Annex 1 have material horizontal or vertical links with Morrisons. As a result, this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.
- (b) The derogation applies only to the companies listed in Annex 1 and their subsidiaries. In the event that CD&R creates or purchases an additional portfolio company, CD&R will seek the prior written consent of the CMA (which can be provided by email) to include such companies within the scope of this derogation.
- (c) There are no existing or planned interdependencies between MFG and any of the companies in Annex 1.
- (d) CD&R will not take steps to transfer any of its activities which overlap with Morrisons from MFG to any of the entities in Annex 1.
- (e) This derogation will not result in any integration between the Morrisons business and the Acquiring Group business.

Yours sincerely,



Anna Caro

Assistant Director, Mergers

10 November 2021

Annex 1

1. Agilon Health, Inc.
2. American Greetings Corporation
3. Artera Services, LLC
4. Belron Group S.A.
5. Brand Industrial Holdings, Inc.
6. BUT S.A.S
7. Carestream Dental Technology Parent Limited
8. Cheney Brothers, Inc.
9. Cloudera, Inc.
10. Conforama France S.A.
11. Core & Main Holdings, LP
12. Lotus Buyer, Inc. as the parent company of Cynosure
13. Medical Depot Holdings, Inc. as the parent company of Drive Medical
14. Epicor Holdings Corporation
15. Fort Dearborn Holding Company, Inc.

16. Hunter Holdco 3 Limited as the parent company of Huntsworth Group
17. Sixteen Gooseberry S.à.r.l. as the parent company of Kalle Group
18. Millennium Healthcare, LLC
19. Multi-Color Corporation
20. M2Gen Corp.
21. Radio Systems Holdings, Inc.
22. S&S Activewear, LLC
23. SCS Holdings I Inc. as the parent company of Sirius Group
24. CD&R Hydra Buyer, Inc. as the parent company of SunSource
25. Outdoor Home Services Holdings, LLC as the parent company of TruGreen
26. Vera Whole Health, Inc.
27. CD&R and WSH JVco (UK) Limited as the parent company of Westbury Street
28. White Cap Parent, LLC
29. Wilsonart International Holdings LLC
30. Wolseley UK Limited