

**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 3 February 2022

Completed acquisition by Cérélia UK Ltd of certain assets relating to the dough business of General Mills Inc. (the 'Merger')

We refer to your submissions dated 9, 10 and 11 February 2022 requesting that the CMA consents to derogations to the Initial Enforcement Order of 3 February 2022 (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, Cérélia UK Ltd ('**Cérélia**') is required to hold separate the Cérélia' business from the Jus-Rol 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, Cérélia may carry out the following actions, in respect of the specific paragraphs:

1. Paragraph 5(i) of the Initial Order - Appointment of [X]

Cérélia submits that in late 2021, prior to the imposition of the Initial Order, Cérélia commenced a recruitment search process to identify a candidate to fill the role of [X] on a permanent, full-time basis.

During the interim period, [X] fulfilled the [X] role on an interim and part-time basis. Pursuant to plans already in contemplation in 2021, [X] will be leaving Cérélia in the coming months to pursue another venture on a full-time basis.

As part of the recruitment process for the [X] role, [X] was identified as a suitable candidate and joined Cérélia at the end of 2021 as [X], with a view to taking over the

role of [X] in the near term. In January 2022, in view of [X] in [X] existing role, Cérélia took the decision to [X] to the [X] role, and [X].

Given that the role of [X] is part of the '[X]' ([X]) of Cérélia, Cérélia considers that the [X] role falls within the definition of key staff.

Cérélia is therefore seeking a derogation from paragraph 5(i) of the Initial Order to permit [X].

Based on Cérélia's representations, the CMA consents to a derogation from paragraph 5(i) of the Initial Order to permit [X], strictly on the basis that:

- (i) [X] has the necessary expertise and experience to effectively fulfil the role of [X] of Cérélia. Hence, the proposed change in key staff and necessary handover of responsibilities from [X] to [X] will not impact the viability or ongoing operation of the Cérélia business;
- (ii) no other organisational or key staff changes will be made to the Cérélia business as a result of the above-mentioned key staff appointment;
- (iii) this derogation will not lead to any integration of the Cérélia business and the Jus-Rol business; and
- (iv) 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.

2. Paragraph 5(i) of the Initial Order – Appointment of [X]

Cérélia submits that the role of [X] was foreseen in the [X] structure set up by the Cérélia business in mid-2021, but the position of [X] has not yet been filled.

Cérélia submits that in [X] existing role as [X] at Cérélia, [X], reporting [X] of Cérélia, [X]. In light of [X] in [X] role as [X], Cérélia wishes to [X].

On the basis that the role of [X] is part of the [X] of Cérélia, Cérélia considers that [X] falls within the definition of key staff.

Cérélia is therefore seeking a derogation from paragraph 5(i) of the IEO to permit [X].

Based on Cérélia's representations, the CMA consents to a derogation from paragraph 5(i) of the Initial Order to permit [X], strictly on the basis that:

- (i) [X] has the necessary expertise and experience to effectively fulfil the role of [X] of Cérélia. Hence, the [X] will not impact the viability or ongoing operation of the Cérélia business;

- (ii) no other organisational or key staff changes will be made to the Cérélia business as a result of the above-mentioned key staff appointment;
- (iii) this derogation will not lead to any integration of the Cérélia business and the Jus-Rol business; and
- (iv) 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.

15 February 2022