

**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 10 and 24 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(l) of the Initial Order

The CMA understands that Cérélia and General Mills Inc. (the '**Seller**') have agreed transitional arrangements pursuant to which the Seller will manage and operate the Jus-Rol business, and will maintain the financial accounts relating to the Jus-Rol business pending completion of the CMA's Merger investigation. The terms of these arrangements are set out in a Transitional Services Agreement ('**TSA**') which commenced upon completion of the Merger.

[✂].

Cérélia submits that it requires a derogation from paragraph 5(l) of the Initial Order to access certain financial information of the Jus-Rol business in order to:

- (a) control and verify the accuracy of the [REDACTED] which constitutes the profit and loss account of the Jus-Rol business;
- (b) prepare financial statements and accounts as required under UK company law in compliance with UK Accounting Standards and Generally Accepted Accounting Practice; and
- (c) submit monthly accounts to the Cérélia group for consolidation, in compliance with International Accounting Standards and International Financial Reporting Standards.

On the basis of Cérélia's representations, the CMA consents to a derogation from paragraph 5(l) of the Initial Order for the actions described in paragraphs (a) to (c) above, strictly on the basis that:

- (i) the information which will be provided to Cérélia by the Seller is limited to that which is strictly necessary for the purposes described in paragraphs (a) to (c) of this derogation, and will be in a template agreed with the CMA (as set out in Annex 1). For the avoidance of doubt, all customer, supplier and vendor names in the template will be presented in anonymised form;
- (ii) no management commentary will be provided to Cérélia by the Seller without the prior written consent of the CMA (which can be provided by email);
- (iii) any requests for clarifications in relation to the [REDACTED] by Cérélia to the Seller must be provided in writing and any response by the Seller must also be in writing. Copies of these communications will be made available to the CMA at its request;
- (iv) the information in Annex 1 will only be provided to the following individuals at Cérélia for whom it is strictly necessary to see this information: [REDACTED]; [REDACTED]; [REDACTED]; and [REDACTED] (together, the '**Designated Individuals**');
- (v) the Designated Individuals do not (and will not) hold client-facing roles, or a day-to-day role in commercial or strategic decision-making related to the Cérélia business;
- (vi) no change to a Designated Individual will be made without the prior, written consent of the CMA, which can be provided by email;
- (vii) each of the Designated Individuals will enter into a non-disclosure agreement in a form agreed with the CMA;
- (viii) IT firewall safeguards will be put in place to prevent any unauthorised Cérélia employees that are not the Designated Individuals from accessing

the information provided by the Seller in relation to the Jus-Rol business for the purposes of this derogation;

- (ix) the Designated Individuals have received or will receive training in relation to their obligations under the Initial Order and will be briefed on their obligations under this derogation;
- (x) should the Merger be prohibited, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received by C er lia from the Seller for the purposes of this derogation will be returned to the Seller (and/or where relevant transferred to a new purchaser of the Jus-Rol business) and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (xi) This derogation will not result in any integration between C er lia and the Jus-Rol business, and 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 March 2022

Annex 1 – [REDACTED]
([REDACTED])