

**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 16 February 2022 and 8 March 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. Paragraphs 5(i) and 5(k) of the Initial Order

Cérélia submits that prior to the imposition of the Initial Order, Cérélia had commenced an [X] process in relation to [X], who is responsible for [X].

In Cérélia's view, [X]. [X].

Cérélia now proposes to [X] employment agreement with Cérélia, following which Cérélia will immediately commence a recruitment process for [X]. Given [X] function as [X] at Cérélia, Cérélia considers that [X] role falls within the definition of key staff in the Initial Order.

Until a replacement has been found, Cérélia proposes that [X] will assume responsibility for Cérélia's [X] until a new [X] has been recruited.

Cérélia is therefore seeking a derogation from paragraphs 5(i) and 5(k) of the Initial Order to permit the [X] and the temporary reallocation of [X] responsibilities to [X] until a permanent replacement for [X] has been identified.

Based on Cérélia's representations, the CMA consents to a derogation from paragraphs 5(i) and 5(k) of the Initial Order for the actions described above, strictly on the basis that:

- (i) Cérélia considers that [X];
- (ii) pending the recruitment of a replacement, [X] will assume [X] responsibilities as Cérélia's [X] on an interim basis [X]. [X] have the necessary capacity and experience to effectively fulfil [X] role on an interim basis. Hence, the proposed change in key staff will not impact the viability or ongoing operation of the Cérélia business;
- (iii) once a permanent replacement for [X] has been identified, Cérélia will provide details of the successful candidate to the CMA and seek the prior written consent of the CMA to appoint the individual to the [X] role (with such consent being provided by email);
- (iv) no other organisational or key staff changes will be made to the Cérélia business as a result of the above-mentioned key staff change;
- (v) this derogation will not lead to any integration of the Cérélia business and the Jus-Rol business; and
- (vi) 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.

11 March 2022