

**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 9 February 2022 and 1 March 2022 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 (‘**MFG**’), 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 MFG carrying out the following actions, in respect of the specific paragraphs:

## 1. Paragraphs 6(c), 6(d) and 6(e) – Auto-LPG removal

MFG submits that auto-LPG is no longer an important product category for modern petrol station forecourt businesses due to a continued industry-wide decrease in demand. This decrease in demand means that revenues are low and will continue to decline, thereby making any continued investments, including periodic testing of the facilities, commercially unviable. Accordingly, MFG plans to remove auto-LPG from all of its sites between 2022 and 2024. MFG also submits that, concurrently, demand for electric vehicles ('EVs'), and therefore charging points, has increased considerably. MFG intends to effectively replace its auto-LPG facilities with EV rapid charging hubs and other services.

As part of the above plan, MFG intends to remove auto-LPG assets from a number of its sites in order to facilitate the introduction of EV charging hubs and/or to expand other services on its sites, including grocery offerings or valet services. Between Q1 and Q2 of 2022, MFG plans to remove auto-LPG from the five sites listed below (the '**Five Sites**') in order to introduce EV charging hubs and/or to expand other services on its sites:

- MFG Olton
- MFG Levenshulme
- MFG St Marys
- MFG Thirsk
- MFG Kilmarnock Spar

The CMA consents to a derogation from paragraphs 6(c), 6(d) and 6(e) of the Initial Order to permit MFG to remove auto-LPG from the Five Sites, as well as from additional sites, subject to prior written CMA consent (including via email). This consent is granted strictly on the basis that:

- (a) Any asset disposals or service terminations carried out under this derogation will not in any way affect MFG's road fuel offering at present or for the foreseeable future at any one of its existing road fuel sites.
- (b) No asset disposals or service terminations will be carried out under this derogation at any site other than the Five Sites unless previously consented to in writing by the CMA (including via email).
- (c) This derogation will not result in any integration between the Morrisons business

and the Acquirer Group business.

(d) This derogation shall not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

Alex Hazell

Assistant Director, Mergers

24 March 2022