

**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 17 May 2022**

**ACQUISITION BY GXO LOGISTICS, INC. (GXO) OF CLIPPER LOGISTICS PLC
(Clipper)**

Dear Josh Chamberlain, Paul Castlo,

We refer to your submission dated 15 June 2022 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 17 May 2022 (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, the Acquirer Group and its subsidiaries are required to hold separate the Acquirer Group business from the business of Clipper and its subsidiaries 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 Clipper carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 6(c) and 6(i) of the Initial Order

Clipper submits that appointing [X] to a newly created position of [X] is vital to its ability to develop its [X] offering in line with its pre-merger strategy. Clipper also submits that [X] has the necessary capability and experience to effectively take on the responsibilities of the role. Clipper further submits that [X] has never worked for GXO and his proposed appointment is entirely unrelated to GXO's acquisition of Clipper.

[X] will report to the Deputy Chief Operating Officer of Clipper. Following [X] appointment, the following individuals will change their reporting line such that they will report to [X]:

- [X], who current reports to the [X]; and
- [X], who currently reports to [X].

On the basis of Clipper's submissions, the CMA consents to a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit Clipper to appoint [X] as [X].

The CMA consents to this derogation on the basis that these actions will not prejudice a CMA reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Shantanu Kafle
Assistant Director
Mergers
20 June 2022