

**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,

We refer to your submission dated 27 June 2022 requesting that the CMA consents to derogations 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to GXO and Clipper carrying out the following actions, in respect of the specific paragraphs:

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

The CMA understands that [X], the [X] will retire from his current role, effective from 30 June 2022. He will be resigning from his position in the following corporate entities: [X]<sup>1</sup> and [X]. As a consequence of his resignation, GXO plans the following changes.

The CMA understands that GXO intends to appoint [X] as the new [X]. In that capacity he will assume the same management responsibilities that [X] has previously assumed.

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<sup>1</sup> For the avoidance of doubt, this entity is part of the GXO Group. Following an ongoing name change process, the entity will be called [X].

GXO submits that [X] has the necessary capability and experience to effectively fulfil their role.

The CMA also understands that GXO intends to appoint [X] as [X], the position that [X] currently holds. GXO submits that [X] has the necessary capability and experience to effectively fulfil their role.

Finally, the CMA understands that GXO intends to appoint [X] to the position of [X], the position [X] currently holds. GXO submits that [X] has the necessary capability and experience to effectively fulfil their role.

The final approval in relation to the replacements for [X] and [X] current roles is still pending. To the extent GXO recruits to fill [X] and [X] current roles with different candidates, GXO will recruit candidates with the necessary capacity and experience to take on the required responsibilities and effectively fulfil the role, and any candidate considered will be entirely independent of Clipper.

Therefore, GXO has requested a derogation from paragraphs 6(c) and 6(i) of the Initial Order to allow the changes of the [X] and [X] to take place.

The CMA considers the roles subject to change to be key staff. After due consideration, 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