

**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 18 July 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 GXO 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] has resigned from his current role ([X] (the '**Role**')), effective from [X]. GXO submits that it pursued reasonable endeavours to retain [X], including by making him a counter-offer in response to the alternative employment offer he ultimately accepted. As a consequence of his resignation, GXO plans the following changes.

The CMA understands that GXO intends to hire [X] as the [X], and that [X] is due to take up the Role on [X]. In that capacity he will assume the same management responsibilities that [X] has previously assumed. GXO submits that [X] has the necessary capability and experience to effectively fulfil their role.

The CMA also understands that GXO intends to alter the reporting structure of the Role. [X] currently reports to the [X], who in turn reports to the [X], whereas [X] will report directly to [X]. GXO has decided to alter the reporting structure as the Role oversees [X]. The Role has therefore been [X]. GXO submits that the changes to GXO AMAPAC's reporting structure will not negatively impact on GXO or Clipper's operations or alter their strategic direction, which will continue to be the independent responsibility of GXO's and Clipper's respective existing management, nor will it affect the ongoing viability of GXO or Clipper.

Therefore, GXO has requested a derogation from paragraphs 6(c) and 6(i) of the Initial Order to allow the changes of the Role and its reporting structure to take place.

The CMA considers the Role 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  
21 July 2022