

**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 30 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(e)(i), 6(e)(ii) of the Initial Order

The CMA understands that GXO currently owns [X]:

1. [X]
2. [X]

The CMA understands that GXO [X]. GXO exclusively services a number of secondary drinks delivery customers [X].

The CMA further understands that GXO is seeking to sell the freehold of the Sites to [X] with whom GXO will, in parallel, enter into standard occupational leaseback agreements to continue to operate out of the Sites. In addition, [X].

The CMA also understands that the restrictions contained in either one of the proposed leases do not go beyond what is commercial practice with regards to warehouse leases. [X]:

- [X]
- [X]
- [X]

GXO requests a derogation from paragraph 6(e)(i) and 6(e)(ii) of the Initial Order to allow it to conclude the sale and leaseback of these properties.

Having duly considered information provided by GXO about the transferability of the proposed Site leases from GXO to a third party, 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
30 June 2022