

**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 25 May 2022.**

**Completed acquisition by Wm Morrison Supermarkets Ltd of certain assets of McColl's Retail Group plc, Martin McColl Limited, Clark Retail Limited, Dillons Stores Limited, Smile Stores Limited, Charnwait Management Limited, and Martin Retail Group Limited (these assets are collectively referred to as 'McColl's') (the 'Acquisition')**

We refer to your submission of 6 July 2022 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 25 May 2022 (the '**Initial Order**'). Unless otherwise stated, the terms defined in the Initial Order have the same meaning in this letter.

On 9 May 2022, Wm Morrison Supermarkets Limited completed the acquisition of McColl's via Alliance Property Holdings Limited ('**Alliance**'), a wholly-owned previously non-trading subsidiary the purpose of which, since completion of the acquisition by Wm Morrison Supermarkets Limited of McColl's, has been solely to act as the holding company for McColl's.

Under the Initial Order, save for written consent by the CMA, Clayton, Dubilier & Rice Holdings, LLC ('**CD&R**'); Motor Fuel Limited and CD&R Firefly Holdco Limited (referred to together as '**MFG**'); Market Bidco Limited, Market Topco Limited, and each of the subsidiaries of Wm Morrison Supermarkets Limited other than Alliance (referred to together as '**Morrisons**') (CD&R, MFG and Morrisons collectively are referred to as the '**Acquirer Group**'); and Alliance (together with the Acquirer Group the '**Addressees**') are required to hold separate the Acquirer Group business from the Alliance 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the Acquirer Group carrying out the following actions, in respect of the specific paragraphs:

## Paragraphs 5(a) and 5(l) – Pension schemes

The CMA understands that McColl's Retail Group plc ('**MRG**') has two pension schemes in operation for employees (the '**Pension Schemes**') and that, on 9 June 2022, the administrators of MRG issued notices in respect of the Pension Schemes confirming that a scheme rescue has occurred under section 122(2)(b) of the Pensions Act 2004.

The CMA further understands that the scheme rescues are scheduled to take effect on 13 July 2022 and that Alliance will, among other things, become the principal employer of the Pension Schemes and assume certain legal responsibilities for the pension liabilities of MRG.

The Addressees submit that, in order for the scheme rescues to function effectively, it is strictly necessary that the Addressees are able to:

- agree new scheme valuations, schedules of pension contributions, investment strategy and funding arrangements for the Pension Schemes;
- discuss and agree the allocation of costs for TM Pension Trustees Limited (in its capacity as trustee of the Pension Schemes) (the '**Trustee**') in relation to the scheme rescues;
- undertake pension accounting for the Morrisons Group year-end;
- establish an information sharing protocol setting out what financial and business information Alliance will provide to the trustees of the Pension Schemes ('**Protocol Information**'), and in what timescales;
- engage in relation to pension strategy and governance to help support the Pension Schemes towards their long-term targets of ensuring member benefits; and
- agreeing other matters which arise in relation to implementation of the scheme rescues,

(collectively, the '**Scheme Rescue Steps**').

The CMA consents to a derogation from paragraphs 5(a) and 5(l) of the Initial Order to permit Morrisons to engage with Alliance and the Trustee for the purpose of implementing the Scheme Rescue Steps, strictly on the basis that:

- (a) Any Alliance confidential information is shared with Morrisons only where it specifically relates to the implementation of the Scheme Rescue Steps (the '**Strictly Necessary Pensions Information**') and does not include

commercially-sensitive information beyond that required to reach a view on that proposal. Any Strictly Necessary Pensions Information disclosed pursuant to this derogation shall not contain competitively sensitive information, including but not limited to site-specific or product-specific data relating to any one of Alliance's business units.

- (b) Strictly Necessary Pensions Information will only be provided to the individuals listed in Annex 1 (the '**Authorised Rescue Scheme Recipients**').
- (c) Each of the Authorised Rescue Scheme Recipients will have entered into an individual confidentiality undertaking in the form approved by the CMA on 25 May 2022 prior to receiving any information under this derogation.
- (d) No Protocol Information will be shared with Authorised Rescue Scheme Recipients without the prior written consent of the CMA (including via email) approving a template setting out the information Alliance intends to share with Morrisons.
- (e) No additions or changes to the list of Authorised Rescue Scheme Recipients are permitted without the prior written consent of the CMA (including via email).
- (f) This derogation will not result in any integration between Alliance and the Acquirer Group.
- (g) The Addressees will ensure that this derogation will not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

Lasse Burmester

Assistant Director, Mergers

21 July 2022

**Annex 1 – Authorised Rescue Scheme Recipients**

Authorised individuals	Role at Morrisons
[✂]	[✂]
[✂]	[✂]
[✂]	[✂]
[✂]	[✂]
[✂]	[✂]
[✂]	[✂]
[✂]	[✂]