

**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 Paul Castlo,

We refer to your submission dated 16 August 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] has resigned as Clipper's [X] and that Clipper proposes to appoint [X] to the role to replace [X]. Clipper notified the CMA of [X] having given notice of his intention to resign on [X], and the CMA understands that Clipper subsequently began a recruitment campaign to identify a successor in light of this resignation.

Clipper 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, that his proposed appointment is entirely unrelated to GXO's acquisition of Clipper and that GXO has had no involvement in choosing [X] as [X]'s successor.

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
18 August 2022