

**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 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 carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 6(e)(i) and 6(e)(ii) of the Initial Order

The CMA understands that GXO currently leases [X] at [X], to serve as its head office in the UK. This property is [X] and [X]. The CMA understands that GXO does not [X] at [X].

The CMA understands that GXO has [X] to terminate the lease on [X]. GXO submits that the decision was taken due to the fact that [X]. The CMA understands that GXO has entered into a new lease for [X], to serve as its new UK head office, on [X]. GXO submits that [X].

Therefore, GXO has requested a derogation from paragraphs 6(e)(i) and 6(e)(ii) the Initial Order to dispose of the lease for [X].

After due consideration, the CMA consents to this derogation on the basis that:

- (i) the disposal of the lease for [X] and the move of GXO's head office operations to [X] will not negatively impact on GXO's or Clipper's operations, nor will it affect the ongoing viability of GXO or Clipper;
- (ii) these actions will not result in any integration between the GXO and Clipper businesses; and
- (iii) 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
6 September 2022