

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 29 July 2023**

ACQUISITION BY ANGLO BEEF PROCESSORS UK OF CERTAIN ASSETS OF SCOTBEEF LIMITED

We refer to your emails dated 19 September 2023 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 29 July 2023 (the '**Initial Order**'). The terms defined in the Initial Order and any directions issued under the Initial Order have the same meaning in this letter.

Under the Initial Order, save with the written consent of the CMA, ABP, Anglo Beef Processors and ABP UK are required to hold separate the Target business from the ABP 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 a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, ABP, Anglo Beef Processors and ABP UK may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 6(a), 6(f), and 6(l) of the Initial Order

ABP submits that the Target business is [REDACTED].

ABP further submits that the Target business does not have the resources to address [REDACTED]. ABP therefore requests a derogation to permit it to [REDACTED] dispatch representatives of its [REDACTED] team to the Target business to: [REDACTED].

The CMA consents to ABP's request for a derogation on the basis that:

- a) [REDACTED];
- b) ABP will not implement any remedial steps without first seeking advance CMA consent (which can be given via email). In its written request(s) to implement

remedial steps, ABP will explain (i) why these steps are strictly necessary (including, where relevant, by setting out each of the alternatives it explored and why it considered these unfeasible), and (ii) the safeguards it proposes in order to ensure that implementing any of the proposed remedial measures does not result in pre-emptive action;

- c) only the following ABP individuals will be dispatched to the Target business for the purpose of this derogation: (i) [X] (ii) [X] and (iii) [X] (together the **'Authorised Individuals'**), who are not directly engaged in, nor are they responsible for making commercial or strategic decisions with regards to, ABP's business. The identity of the Authorised Individuals cannot be changed except through written consent by the CMA (which can be given via email);
- d) the Authorised Individuals will receive information about the Target business only to the extent to which it is strictly necessary in order for them to [X] (together the **'Permitted Purposes'**);
- e) the Authorised Individuals must enter into non-disclosure agreements in a form agreed with the CMA, with a view to preventing any information received from the Target business in connection with the Permitted Purposes from being shared with any part of ABP's business;
- f) should remedial action be required by the CMA in relation to the Target business, any records or copies (electronic or otherwise) of business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received from the Target business for the purposes of this derogation will be returned to the Target business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- g) all electronic files and emails exchanged in this context will be password protected, adequately ring-fenced, and only accessible to the Authorised Individuals; and
- h) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decision on a reference.

Yours sincerely,

Matteo Alchini

Assistant Director, Remedies Business and Financial Analysis

20 September 2023