

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 submission dated 21 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(c) and 6(i) of the Initial Order

ABP submits that [X] has notified ABP that he intends to retire from his role with effect from the end of March 2024. ABP wishes to ensure an orderly handover of [X] responsibilities and therefore intends to make the following changes to its management team with effect from 2 October 2023:

- (i) [X] will take up [X] role as [X]; and
- (ii) [X] will take up [X] role as [X].

ABP therefore submits a request for a derogation from paragraphs 6(c) and 6(i) of the IEO to allow the following internal management changes to be made with effect from 2 October 2023 (together the '**Appointments**')

- (i) the appointment of [X] as [X];
- (ii) the appointment of [X] as [X]; and
- (iii) the appointment of a candidate to be identified as the new [X].

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

- a) each of the appointees concerned has, or will have, the necessary experience and expertise to assume their respective new roles.
- b) ABP will ensure a smooth transfer of responsibilities and reporting functions with respect to each of the Appointments.
- c) the Appointments will support the ongoing viability and competitive capability of ABP, Anglo Beef Processors and ABP UK;
- d) this derogation will not lead to any integration between the Target business and ABP, Anglo Beef Processors and ABP UK;
- e) no other organisational changes or key staff changes will be made to ABP, Anglo Beef Processors and ABP UK as a result of this derogation; and
- f) 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

26 September 2023