

## **DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

Dear [✂]

**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 26 April 2024**

### **Completed acquisition by GXO Logistics, Inc. of Wincanton Plc**

We refer to your email dated 2 May 2024 requesting that the CMA consents to a derogation from the Initial Enforcement Order of 26 April 2024 (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 Wincanton are required to hold separate the Acquirer Group business from the Wincanton 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, the Acquirer Group may carry out the following actions, in respect of the specific paragraphs:

### **Paragraphs 5(d) and 5(e) of the Initial Order**

GXO submits that [✂], it served a break notice on its lease of [✂]. GXO submits that the lease expires automatically (by virtue of the break) on [✂], and that the reason for disposing of the lease was because [✂]. [✂]. In connection with the lease termination for this warehouse, GXO submits that it will transfer the assets, customer contracts and employees at this site to a third party, [✂], for the sum of [✂] (the '**[✂] Agreement**').

GXO further submits that it has not yet signed either the [✂] Agreement or the lease surrender agreement with [✂]. It therefore requests a derogation from paragraph 5(e) of the Initial Order to sign both of these agreements.

The CMA consents to the derogation strictly on the basis that:

- (1) [X] is independent of Wincanton;
- (2) this derogation will not result in any integration between the Wincanton business and the Acquirer Group business;
- (3) this derogation will not result in any disruption to, or impact the viability of, the Acquirer Group business; and
- (4) 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

7 May 2024