

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 13 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:

Paragraph 5(c), 5(i), and 5(k) of the Initial Order

GXO requests the CMA's approval to make certain key staff changes. In particular, GXO wishes to make the following staff changes in [✂]:

- (a) [✂]
- (b) [✂]
- (c) [✂]
- (d) [✂]

(e) [REDACTED]

(together the '[REDACTED] Key Staff Changes')

GXO submits that the [REDACTED] Key Staff Changes are essential to ensure that GXO's key staff roles remain filled by individuals with the necessary skills and experience, and without the [REDACTED] Key Staff Changes, GXO's business in [REDACTED] may become less competitive.

GXO also submits that following its [REDACTED], GXO wishes to make the following changes to its [REDACTED]:

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

(d) [REDACTED]

(e) [REDACTED]

(together the '[REDACTED] Key Staff Changes')

GXO submits that the [REDACTED] Key Staff Changes are necessary to [REDACTED].

The CMA considers the roles subject to change to be key staff. After due consideration, the CMA consents to a derogation from paragraphs 5(c), 5(i), and 5(k) of the Initial Order to allow GXO to make the [REDACTED] Key Staff Changes and the [REDACTED] Key Staff Changes, strictly on the basis that:

- (1) each individual hired, promoted or transferred has the necessary experience and expertise for their new role;
- (2) this derogation will not result in any staff transfers between the Wincanton business and the GXO business;
- (3) this derogation will not result in any integration between the Wincanton business and the GXO business;
- (4) this derogation will not result in any disruption to, or impact the viability of, the GXO business; and
- (5) 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 May 2024