

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

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 emails dated 15 May 2024 and 16 May 2024 requesting that the CMA consents to derogations 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 requests for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Wincanton may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c), 5(i) and 5(k) of the Initial Order

The CMA understands that there are two key staff changes planned by Wincanton:

- [X] plans to retire from his role as [X] at the end of July 2024. Wincanton submits that this is unconnected with the Transaction and that it plans to replace him with [X] (currently [X]) from [X]; and
- Wincanton plans to appoint [X], its [X], to Wincanton's board of directors from [X]. For the avoidance of doubt, [X] will remain [X] of Wincanton.

Wincanton requests a derogation from paragraphs 5(c), 5(i) and 5(k) of the Initial Order to implement the abovementioned changes.

The CMA grants this derogation strictly on the basis that:

- (1) [X] is independent of the Acquirer Group and has the relevant expertise and experience necessary to carry out the functions of a member of the Wincanton board of directors;
- (2) [X] is independent of the Acquirer Group and has the relevant expertise and experience necessary to carry out the functions of a [X];
- (3) save for the changes described above, no other organisational or key staff changes will be made to the Wincanton business as a result of this derogation;
- (4) this derogation does not impact the viability of the Wincanton business during the term of the Initial Order;
- (5) this derogation will not impact the ability of the Wincanton business to compete independently of the Acquirer Group business;
- (6) this derogation will not result in any integration between the Wincanton business and the Acquirer Group business; and
- (7) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

2. Paragraph 5(c) of the Initial Order

Wincanton submits that it proposes to make certain changes to the [X] function of its [X] business (the '**Proposed Changes**'). Wincanton submits that this proposed change is an initial step in [X] that Wincanton proposes to make to the [X] business, and which will be the subject of a further derogation request. Wincanton also submits that the Proposed Changes are required to improve the capability and performance of [X].

Wincanton submits that, as a result of the Proposed Changes, the current [X] would be withdrawn, and Wincanton would [X]. This change is subject to further engagement with the current [X], whose role has been identified as at risk of redundancy. Wincanton further submits that it does not regard the [X] as key staff for the purposes of the Initial Order.

Wincanton therefore requests a derogation from paragraph 5(c) of the Initial Order in order to implement the Proposed Changes.

The CMA grants this derogation strictly on the basis that:

- (1) save for the Proposed Changes, no other organisational or key staff changes will be made to the Wincanton business as a result of this derogation;
- (2) this derogation will not impact the viability of the Wincanton business during the term of the Initial Order;

- (3) this derogation will not result in any integration between the Wincanton business and the Acquirer Group business; and
- (4) this derogation shall not prevent any remedial action which the CMA may need to take regarding the Transaction.

Yours sincerely,

Matteo Alchini

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20 May 2024