

## **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 emails dated 24 May 2024, 30 May 2024 and 3 June 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(c) and 5(i) of the Initial Order**

GXO has sought the CMA’s consent to hire an Integration Director. GXO submits that the role of Integration Director will be a new role that will report into either the Managing Director – UK and Ireland ([✂]) or the Chief Transformation Officer ([✂]), and that this role will be focused on integration planning in respect of the Transaction, subject to the terms of the Initial Order. Post-integration, GXO may retain this individual to support M&A activity in other regions.

The CMA considers the role of Integration Director to be key staff. After due consideration, the CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order to allow GXO to hire an Integration Director, strictly on the basis that:

- (1) while the Initial Order is in force, the Integration Director appointed pursuant to this derogation will not have access to any confidential or competitively sensitive information in relation to the Wincanton business without a separate derogation from the CMA;
- (2) while the Initial Order is in force, the Integration Director appointed pursuant to this derogation will not have any influence on (i) Wincanton's strategic or commercial direction, or (ii) Wincanton's operational or management structure without a separate derogation from the CMA;
- (3) while the Initial Order is in force, the Integration Director's role will be strictly limited to planning (i.e. they will not take any steps towards implementing integration);
- (4) this derogation will not result in any integration between GXO and Wincanton;
- (5) this derogation will not result in any staff transfers between the Wincanton business and the GXO business;
- (6) GXO will notify the CMA prior to the appointment of an individual to the role of Integration Director in its periodic compliance statements;
- (7) this derogation will not result in any disruption to, or impact the viability of, the GXO business and the Wincanton business; and
- (8) 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, Mergers

4 June 2024