

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 22 May 2024 and 28 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 paragraph:

Paragraph 5(e) of the Initial Order

The CMA understands that GXO owns the [✂] Lowestoft pea processing plant located at [✂] and certain associated equipment, including pea hoppers, elevators, metering, gantries, feed vibrators, conveyors, de-stoners, blanchers, pumps, screens, tanks, washers, separators, chillers, graders and spares (the **Lowestoft Plant**). GXO submits that it does not intend to sell the long leasehold on the property on which the Lowestoft Plant is located. GXO also submits that the Lowestoft Plant was used to store peas for one anchor customer, [✂]. However, [✂] contract with GXO expired on 31 December 2023 and [✂] decided not to renew its contract with GXO. All remaining stock was moved out of the Lowestoft Plant by February 2024.

GXO therefore requests a derogation from paragraph 5(e) of the Initial Order to sell the Lowestoft Plant at the end of Q3 2024. GXO submits that this sale would be a direct result of this customer loss as the warehouse space and assets are now surplus to GXO's requirements.

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

- (1) the buyer of the Lowestoft Plant 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

31 May 2024