

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 submission dated 23 July 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 CMA consents to the Acquirer Group and Wincanton (together, the **Parties**) carrying out the following actions, in respect of the specific paragraph:

Paragraph 5(I) of the Initial Order

The Parties submit that a limited number of GXO employees and Wincanton employees, as defined in Annex 1 (the '**Authorised Individuals**'), require access to certain Wincanton and GXO confidential information, respectively, as is strictly necessary for the purpose of integration planning (the '**Confidential Information**'). This includes information strictly necessary to carry out the following limited number of integration planning workstreams: (i) cost-related synergies; (ii) organisational; (iii) employee benefits; and (iv) tax planning (the '**Integration Planning Workstreams**').

The CMA considers that a derogation from paragraph 5(l) of the Initial Order is required to allow (i) disclosure of the Confidential Information to the Authorised Individuals, orally or in writing, as is strictly necessary for the purpose of carrying out the Integration Planning Workstreams; and (ii) one GXO Authorised Individual to attend meetings of the trustee of the Wincanton plc Pension Scheme and its delegated committees, including the investment committee, as an observer only, with written consent from the CMA (which can be given via email).

The CMA therefore consents to a derogation from paragraph 5(l) of the Initial Order, strictly on the basis that:

- (1) this derogation will not result in any integration between GXO and Wincanton and this derogation will be strictly limited to planning (i.e. there will not take any steps towards implementing integration);
- (2) disclosure of the Confidential Information will be limited to that which is strictly necessary for the Integration Planning Workstreams and will only be disclosed to the Authorised Individuals listed in Annex 1;
- (3) all Authorised Individuals shall enter into a confidentiality undertaking in a form approved by the CMA;
- (4) none of the Authorised Individuals have any influence on GXO or Wincanton's strategic or commercial direction;
- (5) no changes to the list of Authorised Individuals covered by this derogation are made without written consent from the CMA (which can be given via email);
- (6) no changes to the list of Integration Planning Workstreams covered by this derogation are made without written consent from the CMA (which can be given via email);
- (7) firewalls will be put in place by the Parties to prevent any unauthorised individuals from accessing any of the Confidential Information shared with the Authorised Individuals for the purposes of this derogation;
- (8) should remedial action be required by the CMA, GXO and Wincanton will ensure that any confidential information exchanged for the purposes of this derogation will be returned to the Wincanton and Acquirer Group businesses, respectively, and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (9) this derogation will not result in any disruption to, or impact the viability of, the Acquirer Group business and the Wincanton business; and
- (10) 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
6 August 2024

Annex 1 – the Authorised Individuals

Name	Title/Employer	Integration Planning Workstream
[✂]	[✂]	Cost Related Synergies; Organisational; Employee Benefits; Tax Planning
[✂]	[✂]	Cost Related Synergies; Organisational
[✂]	[✂]	Employee Benefits; Tax Planning
[✂]	[✂]	Tax Planning
[✂]	[✂]	Tax Planning
[✂]	[✂]	Tax Planning