

## **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 of 30 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, Wincanton may carry out the following actions, in respect of the specific paragraph:

### **Paragraph 5(c) of the Initial Order**

The CMA understands that Wincanton proposes to make certain changes to the legal, management and organisational structure of its [✂] (the '**Proposed Changes**'). Wincanton submits that the Proposed Changes are necessary to [✂], and enable [✂].

The CMA understands that, as a result of the Proposed Changes:

- [✂] will be streamlined and simplified, with the [✂]; and
- The following management and organisational changes will be implemented by Wincanton: [✂].

The CMA further understands that, as part of the Proposed Changes, certain [✂], and that Wincanton is intending to [✂]. Wincanton submits that none of [✂] are regarded as key

staff, and [✂] are expected to involve changes to 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) there will be no change to the ultimate ownership of the Wincanton business;
- (2) there will be no negative impact on Wincanton's commercial operations, in particular Wincanton's ability to service its customers in the ordinary course;
- (3) the Proposed Changes are unrelated to the Transaction and decisions related to the Proposed Changes have been taken independently of the Acquirer Group;
- (4) 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;
- (5) this derogation will not impact the viability of the Wincanton business during the term of the Initial Order;
- (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.

Yours sincerely,

Matteo Alchini  
Assistant Director, Mergers  
6 June 2024