

Date 23 May 2014

COMPLETED ACQUISITION BY NOBLE EGG INNOVATIONS UNLIMITED OF CERTAIN ASSETS AND BUSINESS INFORMATION OF MANTON AND MANTON (2) LIMITED

The CMA hereby directs in accordance with paragraph 10 and 11 of the Initial Enforcement Order dated 7 May 2014 imposed on Walrus (Guernsey) Limited (WGL) and Noble Egg Innovations Unlimited (NEI) and under section 72(2)(c) of the Enterprise Act 2002 (the Act) that WGL and NEI must, in the circumstances of this case and for the purpose of monitoring and securing compliance with the Initial Enforcement Order, appoint a monitoring trustee in accordance with the terms provided for in the annex to this letter and must comply with the obligations set out in the annex.

Annex – Directions to appoint a monitoring trustee

Interpretation

1. In these Directions:

'**Act**' means the Enterprise Act 2002

'**CMA**' means Competition and Markets Authority

'**Future Order**' means any future order directed to any or all of NEI, WGL, Manton and Manton (2) made under section 72 of the Act during the specified period

'**Initial Enforcement Order**' means the interim enforcement order imposed by the CMA on WGL and NEI dated 7 May 2014 in connection with the completed acquisition of the Manton and Manton (2) assets as well as associated directions and consents

'**Manton and Manton (2)**' means the the assets and business information of Manton and Manton (2) egg processing business acquired by NEI in accordance with the Asset Purchase Agreement dated [✂]

'**MT**' means the monitoring trustee appointed in accordance with these Directions

'**NEI**' means Noble Egg Innovations Unlimited

'**WGL**' means Walrus (Guernsey) Limited

Terms and expressions defined in the Initial Enforcement Order have the same meaning in these Directions, unless the context requires otherwise.

Appointment

2. WGL and NEI must appoint a MT in order to:

(a) monitor compliance by WGL and NEI with the Initial Enforcement Order and any Future Order; and

(b) support the CMA taking any remedial action which may be required.

3. The MT must act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
4. WGL and NEI must cooperate fully with the MT, in particular as set out below, and WGL and NEI must ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of WGL and NEI as set out in these Directions.

General

5. The MT must possess appropriate qualifications and experience to carry out his or her functions.
6. The MT must neither have nor become exposed to a conflict of interest that impairs the MT's objectivity and independence in discharging his or her duties under these Directions, unless it can be resolved in a manner and within a timeframe acceptable to the CMA.
7. WGL and NEI shall remunerate the MT and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out his or her functions.
8. (a) The appointment of a MT by WGL and NEI must be subject to approval by the CMA including with respect to the identity of the MT and his or her terms and conditions of appointment in their entirety.

(b) WGL and NEI must inform the CMA as soon as is reasonably practicable and in any event by 5pm (UK time) on 28 May 2014 of the identity of the MT that WGL and NEI propose to appoint and provide the CMA with draft terms and conditions of appointment within 24 hours of receiving them. If WGL and NEI fail to so inform the CMA, the CMA will notify WGL and NEI of the identity of the MT that WGL and NEI must appoint.
9. WGL and NEI must appoint the MT as soon as is reasonably practicable and, in any event, within 24 hours of the CMA giving its approval as to the identity of the MT and his or her terms and conditions of appointment in their entirety and the MT will continue to act for the specified period (as defined in the Initial Enforcement Order).
10. Once the MT has been approved by the CMA and appointed, WGL and NEI must provide the CMA with a copy of the agreed terms and conditions of appointment.

Functions

11. The functions of the MT will be to:
 - (a) ascertain and report to the CMA on the current level of compliance by WGL and NEI with the Initial Enforcement Order;
 - (b) assess the arrangements made by WGL and NEI for compliance with the Initial Enforcement Order and report to the CMA;
 - (c) assess what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action, if required, and report to the CMA;
 - (d) assess and report to the CMA the extent of integration to facilitate a determination by the CMA whether or not to impose an Order to restore the position to what it would have been had pre-emptive action not been taken or otherwise for the purpose of mitigating its effects;
 - (e) assist in the consideration of derogation requests or consents relating to the Initial Enforcement Order; and
 - (f) in the event that the CMA decides to impose a Future Order, the functions of the MT set out in 11(a)-(e) will also apply in respect of that Future Order.
12. The MT must take such steps as he or she reasonably considers necessary in order to carry out his or her functions effectively.
13. The MT must comply with any written requests made by the CMA for the purpose of ensuring the full and effective compliance by WGL and NEI with the Initial Enforcement Order and any Future Order.

Obligations of WGL and NEI

14. WGL and NEI and each of their affiliates and their employees, officers, directors, advisers and consultants must cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his or her functions, including but not limited to:
 - (a) the provision of full and complete access to all personnel, books, records, documents, facilities and information of WGL and NEI and the Manton and Manton (2) assets and business information (as defined in the Initial Enforcement Order) (as available to WGL and NEI) as the MT may reasonably require; and
 - (b) the provision of such office and supporting facilities as the MT may reasonably require.
15. If WGL and NEI or any of their subsidiaries is in any doubt as to whether any action or communication would infringe the Initial Enforcement Order or any Future Order, it is required to contact the MT for clarification.
16. If WGL and NEI or any of their subsidiaries has any reason to suspect that the Initial Enforcement Order or any Future Order may have been breached, it must notify the MT and the CMA immediately.

Reporting functions

17. The MT is required to provide an initial report to the CMA no later than the day which falls one week after the MT's appointment giving details of any arrangements which have been, or should be, put in place to ensure compliance with the Initial Enforcement Order, and including among other things details of the current extent of compliance with the Initial Enforcement Order.

18. In addition to providing the initial report referred to in paragraph 17 above, the MT must provide weekly thereafter (or otherwise as required in writing by the CMA) a statement to the CMA stating whether or not, in his or her view, WGL and NEI have complied with the Initial Enforcement Order and any Future Order. At the same time, the MT must provide the CMA with a report setting out the following:

(a) the basis for the MT's view that the Initial Enforcement Order and any future Order has or has not, as the case may be, been complied with and in particular whether:

(i) anything has caused him or her to be concerned as to whether WGL and NEI have complied with the Initial Enforcement Order and any Future Order, and if it has, whether those concerns have been resolved and why;

(ii) he or she has any remaining doubts or uncertainties as to whether WGL and NEI have complied with the Initial Enforcement Order and any future Order; and

(iii) anything that causes him or her to be concerned about a possible future breach of the Initial Enforcement Order and any Future Order (whether deliberate or inadvertent);

(b) details of any factors that might indicate deterioration of the Manton and Manton (2) assets and of the NEI business (as defined in the Initial Enforcement Order);

(c) the extent to which WGL and NEI has cooperated with the MT in his or her task of monitoring its compliance with the Initial Enforcement Order and any Future Order and details of any aspects of the cooperation of WGL and Initial Enforcement Order and any Future Order that he considers could be improved;

(d) the extent to which the MT considers that he or she is in an appropriate position to monitor the compliance of WGL and NEI with the Initial Enforcement Order and any Future Order and if there is anything that the MT considers would assist him or her in monitoring compliance;

(e) any current or anticipated requests for consent to vary the Initial Enforcement Order or any Future Order and any application for derogations from, or consents requested in accordance with the terms of the Initial Enforcement Order or any Future Order; and

(f) the information the MT used to compile the report.

19. When providing reports to the CMA the MT must ensure that he or she does not disclose any information or documents to the CMA which WGL and NEI would be entitled to withhold from the CMA on the grounds of legal privilege.
20. The MT must immediately notify the CMA in writing if he or she forms a reasonable suspicion that the Initial Enforcement Order or any Future Order has been breached. In addition, the MT must immediately notify the CMA in writing if he or she considers that he or she is no longer in a position to effectively carry out his or her functions. In that situation, the MT must give reasons for this view; including any supporting evidence available (unless doing so would infringe the obligations referred to in paragraph 19 above).
21. All communications between the MT and the CMA (including the statements and reports referred to in paragraphs 17 and 18) are confidential and should not be disclosed to WGL or NEI, save with the prior written consent of the CMA. The MT shall not disclose such communications to third parties.