

## **REFERENCE RELATING TO THE ANTICIPATED ACQUISITION BY CELESIO AG OF SAINSBURY'S SUPERMARKETS UK PHARMACY BUSINESS**

### **Notice of acceptance of Interim Undertakings pursuant to section 80 of the Enterprise Act 2002**

1. On 29 July 2015 Lloyds Pharmacy Limited (Lloyds) entered into (i) a Business Sale Agreement (which was on 30 June 2016 replaced by an amended Business Sale Agreement) and (ii) a Cooperation Agreement to acquire Sainsbury's Supermarkets UK Pharmacy Business (the Target).
2. On 29 December 2015, the Competition and Markets Authority (CMA) referred the anticipated acquisition by Lloyds of the Target for further investigation and report by a Group of CMA Panel Members (the Inquiry Group) under section 33(1) of the Enterprise Act 2002 ('the Act').
3. On 27 June 2016 the CMA accepted from Lloyds interim undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action prior to the reference being finally determined. It accepted equivalent undertakings from Sainsbury's Supermarkets Limited (Sainsbury's) on 7 July 2016. On 7 July 2016 the CMA also accepted from Celesio AG (Celesio) an undertaking in accordance with section 80 of the Act to refrain from any action that would frustrate Lloyds' ability to comply with its interim undertakings.
4. On 29 July 2016, the CMA published its final report concluding that the anticipated acquisition may be expected to result in a substantial lessening of competition (SLC) in 12 local areas (the 'Relevant Areas') and that this may be expected to lead to an adverse effect for customers in terms of a reduction in the quality of pharmacy services in the Relevant Areas.
5. The CMA wishes to ensure that no action is taken pending final determination of the reference which might prejudice the reference or impede the taking of action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference. The reference has not yet been finally determined in accordance with section 79(1) and (2) of the Act.
6. Now pursuant to section 80(2) of the Act, for the purpose of preventing pre-emptive action, the CMA accepted Interim Undertakings from each of Celesio,

Lloyds and Sainsbury's as set out in Annex A below and accordingly these Interim Undertakings came into force pursuant to section 80(5) of the Act with immediate effect on the date on which they were signed. For the avoidance of doubt, these Interim Undertakings pursuant to section 80(5)(b) of the Act supersede the interim undertakings given by Celesio, Lloyds and Sainsbury's and accepted by the CMA on 7 July 2016.

Signed by authority of the CMA

*(signed)* SIMON POLITO

*Group Chair*

25 August 2016

## **ANTICIPATED ACQUISITION BY CELESIO AG OF SAINSBURY'S SUPERMARKETS UK PHARMACY BUSINESS**

### **Interim Undertaking given by Celesio AG to the Competition and Markets Authority pursuant to Section 80 of the Enterprise Act 2002**

On 29 July 2015 Lloyds Pharmacy Limited (Lloyds) entered into (i) a Business Sale Agreement (which was on 30 June 2016 replaced by an amended Business Sale Agreement) (ii) a Cooperation Agreement to acquire Sainsbury's Supermarkets UK Pharmacy Business (the Target).

On 29 December 2015, the Competition and Markets Authority (CMA) referred the proposed acquisition by Lloyds of the Target for further investigation and report by a Group of CMA Panel Members ('the Group') under section 33(1) of the Enterprise Act 2002 ('the Act').

On 27 June 2016 the CMA accepted from Lloyds interim undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action prior to the reference being finally determined. It accepted equivalent undertakings from Sainsbury's Supermarkets Limited (Sainsbury's) on 7 July 2016. On 7 July 2016 the CMA also accepted from Celesio AG (Celesio) an undertaking in accordance with section 80 of the Act to refrain from any action that would frustrate Lloyds' ability to comply with its interim undertakings.

On 29 July 2016, the CMA published its final report concluding that the anticipated acquisition may be expected to result in a substantial lessening of competition (SLC) in 12 local areas (the 'Relevant Areas') and that this may be expected to lead to an adverse effect for customers in terms of a reduction in the quality of pharmacy services in the Relevant Areas.

The CMA wishes to ensure that no action is taken pending final determination of the reference which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference. The reference has not been finally determined in accordance with section 79(1) and (2) of the Act.

Now Celesio hereby gives to the CMA the following Interim Undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action. For the avoidance of doubt, these Interim Undertaking pursuant to section 80(5)(b) of the Act

supersede the Interim Undertaking given by Celesio and accepted by the CMA on 7 July 2016.

### **Commencement and Application**

1. This Interim Undertaking shall come into force when accepted in accordance with section 80(5)(a) of the Act.
2. This Interim Undertaking is given by Celesio and its respective subsidiaries.
3. This Interim Undertaking shall terminate when the reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by the parties and the CMA.

### **Interim Undertaking**

4. Except with the prior written consent of the CMA, Celesio undertakes that it will not take any action which may frustrate Lloyds' ability to comply with its Interim Undertakings as given by it on 24 August 2016 to the CMA pursuant to section 80 of the Act.

### **Interpretation**

5. The Interpretation Act 1978 shall apply to this Interim Undertaking as it does to Acts of Parliament.

For the purposes of this Interim Undertaking:

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

**'business'** has the meaning given by section 129(1) and (3) of the Act;

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

**'the proposed acquisition'** means the proposed acquisition by Lloyds of the Target;

**'written consent'** shall include consent given by email;

**'Celesio AG'** means the company incorporated under the laws of Germany, with its business seat at Neckartalstrasse 155, 70376 Stuttgart, registered with the commercial register of the local court of Stuttgart under HRB 9517;

**'the Target'** means the UK pharmacy business of Sainsbury's Supermarkets Limited, a company incorporated and registered in England and Wales with

the registration number 03261722, whose registered office is located at 33 Holborn, London, EC1 2HT;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF Celesio

..... Signature .....

..... Name ..... Name

..... Title ..... Title

..... Date ..... Date

# **ANTICIPATED ACQUISITION BY CELESIO AG OF SAINSBURY'S SUPERMARKETS UK PHARMACY BUSINESS**

## **Undertakings given by Lloyds Pharmacy Limited to the Competition and Markets Authority pursuant to Section 80 of the Enterprise Act 2002**

### **Background**

On 29 July 2015 Lloyds Pharmacy Limited (Lloyds) entered into (i) a Business Sale Agreement (which was on 30 June 2016 replaced by an amended Business Sale Agreement) and (ii) a Cooperation Agreement to acquire Sainsbury's Supermarkets UK Pharmacy Business (the Target).

On 29 December 2015, the Competition and Markets Authority (CMA) referred the proposed acquisition by Lloyds of the Target for further investigation and report by a Group of CMA Panel Members (the Group) under section 33(1) of the Enterprise Act 2002 ('the Act').

On 27 June 2016 the CMA accepted from Lloyds interim undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action prior to the reference being finally determined. It accepted equivalent undertakings from Sainsbury's Supermarkets Limited (Sainsbury's) on 7 July 2016. On 7 July 2016 the CMA also accepted from Celesio AG (Celesio) an undertaking in accordance with section 80 of the Act to refrain from any action that would frustrate Lloyds' ability to comply with its interim undertakings.

On 29 July 2016, the CMA published its final report concluding that the anticipated acquisition may be expected to result in a substantial lessening of competition (SLC) in 12 local areas (the 'Relevant Areas') and that this may be expected to lead to an adverse effect for customers in terms of a reduction in the quality of pharmacy services in the Relevant Areas. The final report stated that, with the exception of Christchurch and Sandy, the divestiture of a particular Lloyds store in each of the Relevant Areas, as listed in Annex 2 (Divestment Stores), would be an effective and proportionate remedy to address the SLC that had been identified. In Christchurch and Sandy the divestiture of either of two particular Lloyds stores in these areas, as listed in Annex 2 (Divestment Stores), would be an effective and proportionate remedy to address the SLC that had been identified.

The CMA wishes to ensure that no action is taken pending final determination of the reference which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference. The reference has not been finally determined in accordance with section 79(1) and (2) of the Act.

Now Lloyds hereby gives to the CMA the following Interim Undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action. For the avoidance of doubt, these Interim Undertakings pursuant to section 80(5)(b) of the Act supersede the Interim Undertakings given by Lloyds and accepted by the CMA on 27 June 2016.

### **Commencement and Application**

1. The Interim Undertakings shall come into force when accepted in accordance with section 80(5)(a) of the Act.
2. The Interim Undertakings are given by Lloyds and its respective subsidiaries.
3. These Interim Undertakings shall terminate when the reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by the parties and the CMA.

### **Management of the Target and Lloyds in the Relevant Areas during the specified period**

4. Except with the prior written consent of the CMA, Lloyds undertakes that it will not until the reference is finally determined in accordance with section 79(1) and (2) of the Act take any action which might prejudice the reference concerned or impede the taking of any action under the Act by the CMA or other party which may be justified by the CMA's decisions on the reference.
5. Without prejudice to the generality of paragraph 4, except with the prior written consent of the CMA, Lloyds undertakes that, until the reference is finally determined in accordance with section 79(1) and (2) of the Act, it will:
  - (a) procure that existing staffing levels are maintained (allowing existing vacancies to be filled) at the Divestment Stores;
  - (b) not initiate the transfer of Lloyds staff from the Divestment Stores to any other Lloyds stores or Target stores;
  - (c) take all reasonable steps to encourage Lloyds staff at the Divestment Stores to remain at their current store; and

- (d) comply with the obligations set out in paragraphs 6 to 11 , and in the related Annexes to these Interim Undertakings.

### **The Target pharmacies**

6. Lloyds will at all times during the specified period procure that, except with the prior written consent of the CMA, within the 'Relevant Areas':
- (a) the only customer-facing changes made to the Target pharmacies in the Relevant Areas will be those detailed in Annex 3; and
  - (b) any physical changes to the Target's pharmacies are limited to the pharmacy premises itself, and any publicity for the change of ownership shall be available only at the pharmacy premises. For the avoidance of doubt, this prohibits any changes to external signage at the Sainsbury's supermarket store outside the actual pharmacy premises (but only insofar as such changes to external signage are related to the pharmacy business) and any pharmacy-specific advertising through, for example, leaflets within the rest of the Sainsbury's supermarket store [See Annex 3 for the list of permitted customer-facing changes at the Target pharmacies].

### **Lloyds pharmacies**

7. Lloyds will at all times during the specified period procure that, except with the prior written consent of the CMA, at the Divestment Stores:
- (a) the Lloyds business is maintained as a going concern;
  - (b) stock levels in prescription-only medicines and pharmacy-only medicines are maintained at existing levels;
  - (c) no changes are made to current opening hours;
  - (d) training schedules for Lloyds staff are maintained;
  - (e) no action is taken to solicit the transfer of repeat prescription customers from any Divestment Stores to other Lloyds pharmacies or the Target in the Relevant Areas;
  - (f) no action is taken which might otherwise impair the ability of the Divestment Stores to compete independently or that may significantly impact on the operation of the Divestment Stores; and
  - (g) no action is taken which may lead to a change of location of the Divestment Stores.



## Compliance

8. Lloyds shall procure that each of its subsidiaries complies with these Interim Undertakings as if it had given them.
9. Lloyds shall forthwith provide to the CMA such information or statement of compliance as the CMA may from time to time require for the purposes of monitoring compliance by Lloyds and its subsidiaries with these Interim Undertakings.
10. At all times, Lloyds will actively keep the CMA informed of any material developments relating to the Target in the Relevant Areas, or to the Divestment Stores, which includes but is not limited to:
  - (a) details of staff who leave or join;
  - (b) all substantial customer volumes won or lost including any substantial changes in customers' demand; and
  - (c) substantial changes in contractual arrangements or relationships with key suppliers, in each case at the store level (i.e. excluding changes in contractual arrangements or relationships with key suppliers that are held at the national or regional level).
11. Lloyds shall comply with such written directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these Interim Undertakings. In particular, the CMA may issue directions for Lloyds to appoint a Monitoring Trustee (MT) for the Relevant Areas only, in which case the Monitoring Trustee Provisions set out in Annex 1 will apply, either in whole or in part, as the CMA may direct. Any MT will also be subject to a mandate, to be approved by the CMA.

## Interpretation

12. The Interpretation Act 1978 shall apply to these Interim Undertakings as it does to Acts of Parliament.

For the purposes of these Interim Undertakings:

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

**'business'** has the meaning given by section 129(1) and (3) of the Act;

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

**'the decisions'** means the decisions of the CMA on the questions which it is required to answer by virtue of section 36 of the Act;

**'the Divestment Stores'** means those stores listed in Annex 2;

**'the proposed acquisition'** means the proposed acquisition by Lloyds of the Target;

**'pharmacy premises'** are premises as defined by the register on the General Pharmaceutical Council's premises list.

**'Relevant Areas'** means Beaconsfield; Bracknell; Cardiff; Christchurch; Kempston; Kidlington; Leeds; Liverpool; Luton; Reading/Theale; Sandy; and Warlingham (as in Appendix K of the Final Report).

**'the specified period'** means the period beginning on the date of these Interim Undertakings and terminating when the reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by the parties and the CMA;

**'subsidiary'**, unless otherwise expressly stated, has the meaning given by section 1159 of the Companies Act 2006;

**'written consent'** shall include consent given by email;

**'Celesio'** means the company incorporated under the laws of Germany, with its business seat at Neckartalstrasse 155, 70376 Stuttgart, registered with the commercial register of the local court of Stuttgart under HRB 9517;

**'Lloyds'** means the company incorporated and registered in England and Wales with the registration number 00758153, whose registered office is located at Sapphire Court, Walsgrave Triangle, Coventry, Great Britain, CV2 2TX;

**'the Target'** means the UK Pharmacy Business of Sainsbury's Supermarkets Limited, a company incorporated and registered in England and Wales with the registration number 03261722, whose registered office is located at 33 Holborn, London, EC1 2HT;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF Lloyds

..... Signature .....

..... Name .....

..... Title .....

..... Date .....

## Monitoring Trustee Provisions

### Appointment

1. Following direction by the CMA pursuant to paragraph 9 of the Interim Undertakings Lloyds shall appoint a monitoring trustee (MT) in order to:
  - (a) report on the current state of any integration between Lloyds and the Target in the Relevant Areas only; insofar as integration relates to customer-facing changes to the Target's pharmacies and/or publicity for the change of ownership;
  - (b) monitor compliance by Lloyds with these Monitoring Trustee Provisions and in line with its mandate in the Relevant Areas only; and
  - (c) support the CMA taking remedial action which may be required.
2. The MT must act on behalf of the CMA, report solely to 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.
3. Lloyds must cooperate fully with the MT, in particular as set out below, and Lloyds must ensure that the MT's mandate reflects and gives effect to the functions and obligations of the MT.

### General

4. The MT must possess appropriate qualifications and experience to carry out his or her functions.
5. 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 Monitoring Trustee Provisions, unless it can be resolved in a manner and within a timeframe acceptable to the CMA. Where the MT has concerns that such a conflict of interest may have arisen, the MT must communicate those concerns to the CMA immediately.
6. Lloyds shall remunerate the MT and reimburse the MT for all reasonable costs properly incurred in accordance with its mandate 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.

7. The appointment of a MT by Lloyds shall be subject to approval by the CMA including with respect to the identity of the MT and his or her mandate in their entirety.
8. Lloyds shall 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.

### **Functions**

9. The functions of the MT will be to:
  - (a) following direction by the CMA ascertain and report to the CMA on the level of compliance by Lloyds with such Monitoring Trustee Provisions; and
  - (b) follow any such instructions as may be specified in the MT's mandate.

### **Obligations of Lloyds**

10. Lloyds and each of its subsidiaries and its 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 Lloyds and the Target (as available to Lloyds and the Target) as the MT may reasonably require; and
  - (b) the provision of such office and supporting facilities as the MT may reasonably require.
11. If Lloyds or any of its subsidiaries is in any doubt, as to whether any action or communication would infringe these Monitoring Trustee Provisions, it is required to contact the MT for clarification.
12. If Lloyds or any of its subsidiaries has any reason to suspect that these Monitoring Trustee Provisions may have been breached, it must notify the MT and the CMA immediately.

## **Reporting functions**

13. The MT is required to comply with such reporting obligations as may be specified in the MT's mandate.

### Required divestitures

Area	Lloyds pharmacy		
Beaconsfield	5 The Highway, Beaconsfield, Buckinghamshire HP9 1QD (Lloyds' New Town pharmacy)		
Bracknell	97 Liscombe, Birch Hill Rd, Bracknell, Berkshire RG12 7DE		
Cardiff	44 Station Road, Cardiff CF14 5LT		
Christchurch	344-346 Lymington Road, Christchurch, Dorset BH23 5EY	OR	248 Lymington Road, Christchurch, Dorset BH23 5ET
Kempston	242 Bedford Road, Kempston, Bedfordshire MK42 8PP		
Kidlington	18 The Parade, Kidlington, Oxfordshire OX5 1DB		
Leeds	2 The Avenue, Leeds, West Yorkshire LS17 7BE		
Liverpool	1-3 Rice Lane, Liverpool L9 1AD		
Luton	2 Whitehorse Vale, Luton, Bedfordshire LU3 4AD		
Reading/Theale	27 High Street, Theale, Berkshire RG7 5AH		
Sandy	5 Market Square, Sandy, Bedfordshire SG19 1HU	OR	4 Market Square, Sandy, Bedfordshire SG19 1HU
Warlingham	46-48 The Green, Warlingham, Surrey CR6 9NA		

## **Permitted customer-facing changes to the Target stores in the Relevant areas**

1. Liability insurance to be displayed.
2. Communications with customers regarding the transfer of their personal data.
3. Dispensing labels to display pharmacy name (Lloyds Pharmacy).
4. Till receipt to include statement relating to Lloyds' prescription medicines on reverse.
5. Customers to receive identifying details that will allow them to know with whom they are dealing with respect to Electronic Funds Transfers.
6. Pharmacy practice leaflet to display pharmacy name (Lloyds Pharmacy).
7. Pharmacy to be registered under name of operator (Lloyds Pharmacy).
8. Pharmacy staff will wear Lloyds' uniforms, including badges.
9. Dispensing bags and carrier bags for all medicines dispensed and goods sold will be Lloyds-branded.
10. All branded point of sale materials which state 'Sainsbury's Pharmacy' will be replaced with Lloyds-branded point of sale materials, including shelf edge labels (which display prices), posters, leaflets, strut cards and balloons and sticks, with some featuring 'welcome' messaging.
11. Remerchandising of all counter bays and back-walls.
12. Replacement of Sainsbury's own-label products with Lloyds' range of own-label products.
13. Telephones in the pharmacies will be answered to reflect the change of ownership.
14. Alterations to the front counter 'merchandise bay(s)' at Leeds Moortown Sainsbury's pharmacy to enable the bay(s) to be shut when the pharmacy is closed.



# **ANTICIPATED ACQUISITION BY CELESIO AG OF SAINSBURY'S SUPERMARKETS UK PHARMACY BUSINESS**

## **Interim Undertakings given by Sainsbury's Supermarkets Limited to the Competition and Markets Authority pursuant to Section 80 of the Enterprise Act 2002**

### **Background**

On 29 July 2015 Lloyds Pharmacy Limited (Lloyds) entered into (i) a Business Sale Agreement (which was on 30 June 2016 replaced by an amended Business Sale Agreement) and (ii) a Cooperation Agreement to acquire Sainsbury's Supermarkets UK Pharmacy Business (the Target).

On 29 December 2015, the Competition and Markets Authority (CMA) referred the proposed acquisition by Lloyds of the Target for further investigation and report by a Group of CMA Panel Members (the Group) under section 33(1) of the Enterprise Act 2002 ('the Act').

On 27 June 2016 the CMA accepted from Lloyds interim undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action prior to the reference being finally determined. It accepted equivalent undertakings from Sainsbury's Supermarkets Limited (Sainsbury's) on 7 July 2016. On 7 July 2016 the CMA also accepted from Celesio AG (Celesio) an undertaking in accordance with section 80 of the Act to refrain from any action that would frustrate Lloyds' ability to comply with its Interim Undertakings.

On 29 July 2016, the CMA published its final report concluding that the anticipated acquisition may be expected to result in a substantial lessening of competition (SLC) in 12 local areas (the 'Relevant Areas') and that this may be expected to lead to an adverse effect for customers in terms of a reduction in the quality of pharmacy services in the Relevant Areas.

The CMA wishes to ensure that no action is taken pending final determination of the reference which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference. The reference has not been finally determined in accordance with section 79(1) and (2) of the Act.

Now Sainsbury's hereby gives to the CMA the following Interim Undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action. For the avoidance of doubt, these Interim Undertakings pursuant to section 80(5)(b) of the Act supersede the Interim Undertakings given by Sainsbury's and accepted by the CMA on 7 July 2016.

### **Commencement and Application**

1. The Interim Undertakings shall come into force when accepted in accordance with section 80(5)(a) of the Act.
2. The Interim Undertakings are given by Sainsbury's and its respective subsidiaries.
3. These Interim Undertakings shall terminate when the reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by the parties and the CMA.

### **Management of the Target in the Relevant Areas**

4. Except with the prior written consent of the CMA, in relation to the Relevant areas only, Sainsbury's undertakes that during the specified period it will not until the reference is finally determined in accordance with section 79(1) and (2) of the Act take any action which might prejudice the reference concerned or impede the taking of any action under the Act by the CMA or other party which may be justified by the CMA's decisions on the reference.
5. Sainsbury's undertakes that it will, in relation to the Relevant Areas only, at all times during the specified period, except with the prior written consent of the CMA, , limit any physical changes in relation to the change of ownership of the Target to the pharmacy premises itself (to the extent that such changes are within Sainsbury's control). It shall also ensure that any publicity for the change of ownership be available only at the pharmacy premises (again, to the extent that such publicity is within Sainsbury's control). For the avoidance of doubt, this prohibits any changes to external signage at the Sainsbury's supermarket store outside the actual pharmacy premises (but only insofar as such changes to external signage are related to the change in ownership) and any pharmacy-specific advertising through, for example, leaflets within the rest of the Sainsbury's supermarket store.

### **Compliance**

6. Sainsbury's shall procure that each of its subsidiaries complies with these Interim Undertakings as if it had given them.

7. Sainsbury's shall forthwith provide to the CMA such information or statement of compliance as the CMA may from time to time require for the purposes of monitoring compliance by Sainsbury's and its subsidiaries with these Interim Undertakings.
8. Sainsbury's shall comply with such written directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these Interim Undertakings.

## **Interpretation**

9. The Interpretation Act 1978 shall apply to these Interim Undertakings as it does to Acts of Parliament.

For the purposes of these Interim Undertakings:

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

**'business'** has the meaning given by section 129(1) and (3) of the Act;

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

**'the decisions'** means the decisions of the CMA on the questions which it is required to answer by virtue of section 36 of the Act;

**'the proposed acquisition'** means the proposed acquisition by Lloyds of the Target;

**'Relevant Areas'** means Beaconsfield; Bracknell; Cardiff; Christchurch; Kempston; Kidlington; Leeds; Liverpool; Luton; Reading/Theale; Sandy; and Warlingham (as in Appendix K of the Final Report);

**'the specified period'** means the period beginning on the date of these Interim Undertakings and terminating when the reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by the parties and the CMA;

**'subsidiary'**, unless otherwise expressly stated, has the meaning given by section 1159 of the Companies Act 2006;

**'written consent'** shall include consent given by email;

**'Sainsbury's'** means Sainsbury's Supermarkets Limited, the company incorporated and registered in England and Wales with the registration

number 03261722, whose registered office is located at 33 Holborn, London, EC1 2HT;

**'the Target'** means the UK Pharmacy Business of Sainsbury's Supermarkets Limited, a company incorporated and registered in England and Wales with the registration number 03261722, whose registered office is located at 33 Holborn, London, EC1 2HT;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF Sainsbury's

.....	Signature	.....	Signature
.....	Name	.....	Name
.....	Title	.....	Title
.....	Date	.....	Date