

Completed acquisition by Refresco Group NV of the traditional beverages business of Cott

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 31 January 2018.

We refer to your email dated 22 January requesting that the CMA consents to derogations to the Initial Enforcement Order of 31 January 2018 (the 'Initial Order'). 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, Refresco Group and Refresco UK are required to hold separate the Cott business from the Refresco Group 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.

The terms defined in the Initial Order have the same meaning in this letter. Further in this letter:

'Cott UK' means Cott Beverages Ltd, a company incorporated in the UK with company number 02836071;

'the Cott UK business' means the business of Cott UK and its subsidiaries, carried on as at the commencement date;

'the Cott International business' means the traditional beverage manufacturing business outside the UK sold by Cott to Refresco as carried on as at the commencement date;

'the Refresco International business' means the business of Refresco Group and its subsidiaries carried outside the UK on as at the commencement date.

'the International business' means the Cott International business and the business of Refresco Group carried on outside the UK, in both cases as at the commencement date;

Nothing in this consent will derogate from the fact that, in accordance with the Initial Order:

- the Cott UK business will not be integrated with the Refresco UK business or the International business, and will be managed independently from the Refresco UK business and the International Business;
- other than the change permitted below, there will be no other changes in Cott UK business key staff;
- there will be no changes in Cott UK business assets;
- the Cott UK business will have and retain sufficient staffing, finances, and inputs to compete independently in the UK;
- the Cott UK business will set its own prices and other terms of sale;
- the Cott UK business will maintain its product portfolios and product development roadmaps in the UK as at the commencement date;
- the Cott UK business will continue to manage all Cott UK contracts with UK customers, and tender for all new contracts with UK customers;
- the Cott UK business will contact all UK customers to explain that the Cott UK business will continue to be held separate from Refresco for the duration of the Initial Order;
- the Cott UK business will maintain independent (including from the Refresco UK business and from the International business) customer and supplier lists; and
- there will be no exchange of competitively sensitive information between the Cott UK Business and the Refresco UK business or the International Business.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Refresco Group, Refresco UK and the Cott business may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4 and 5 of the Initial Order

Refresco Group has sought CMA consent to integrate the Cott International business whilst holding the Cott UK business separate.

Subject to the proposed ring-fence of the Cott UK Business in a form to be approved by the CMA in advance of any integration (including where relevant the approval in advance by the CMA of relevant non-disclosure agreements (NDAs)), Refresco Group is permitted to:

- (a) integrate the Refresco International business with the Cott International Business
- (b) receive such financial reports from Cott UK, including key performance indicators (**KPI**), as may be approved by the monitoring trustee from time to time strictly for the purpose of protecting Refresco Group's investment in the Cott UK business and subject to NDAs being signed by the specified recipients of the information, as approved by the CMA.

2. Paragraph 5 (i) of the Initial Order

In order to ensure that the Cott UK business is effectively managed as a going concern, the CMA consents to Mr Matt Vernon, who is currently Finance Director and Board Member of Cott UK, being appointed to the role of Interim Managing Director of the Cott UK business.