

**COMPLETED ACQUISITION BY SONOCO PRODUCTS COMPANY,
INC. OF CAN PACKAGING SAS**

**Directions issued on 12 November 2020 pursuant to paragraph 11
of the Initial Enforcement Order made by the Competition and
Markets Authority on 9 September 2020 pursuant to section 72(2) of
the Enterprise Act 2002 (the Act)**

On 9 September 2020, the Competition and Markets Authority (**CMA**) issued an Initial Enforcement Order in accordance with section 72(2) of the Enterprise Act 2002 (the **Act**) concerning the completed acquisition of Can Packaging SAS (**Can Packaging**) by Sonoco Products Company, Inc. via its subsidiaries Sonoco Holdings SAS, Sonoco Development, Inc. and SPC Resources, Inc. (together, **Sonoco**) (the **Initial Enforcement Order**).

The CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act 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 decision on the reference.

The CMA has concerns regarding Sonoco's compliance with the Initial Enforcement Order and in particular whether it has complied with its obligation to procure that Can Packaging provides on a fortnightly basis compliance statements in the form of Annex B of the Initial Enforcement Order. Compliance statements are an important element of the Initial Enforcement Order as they enable the CMA to appropriately ensure and monitor compliance with the Initial Enforcement Order.

The CMA now issues written Directions under paragraph 11 of the Initial Enforcement Order that, for the purpose of securing compliance with the Initial Enforcement Order, Sonoco must appoint a monitoring trustee (**MT**) in accordance with the terms provided for in this Annex and must comply with the obligations set out in the Annex. The terms defined in the Initial Enforcement Order have the same meaning in these written directions.

Alex Knight

Assistant Director, Remedies, Business and Financial Analysis

12 November 2020

Annex

Directions to appoint a monitoring trustee

Interpretation

In these Directions:

'the Act' means the Enterprise Act 2002;

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

'CMA' means the Competition and Markets Authority;

'Commencement date' means 9 September 2020, which is the commencement date of the Initial Enforcement Order;

'Derogations' means any derogations granted whether before or after the appointment of the monitoring trustee by the CMA by which Sonoco may undertake certain actions that derogate from the Initial Enforcement Order;

'Can Packaging' means Can Packaging SAS, a French simplified joint stock company (société par actions simplifiée), with a share capital of 100,000 euros, having its registered office at 9 bis, rue Saint-Marc - 68400 Riedisheim, and registered with the Trade and Companies Registry of Mulhouse under number 351 512 223. It also includes other entities and assets that were the subject of the transaction. These include:

- SAS du Lagon (**'SAS du Lagon'**), a French simplified joint-stock company, with a share capital of 15,244.90 euros, having its registered office at 9bis, rue Saint-Marc - 68400 Riedisheim, and registered with the Trade and Companies Registry of Mulhouse under number 419 953 534;
- SCI Lagon Ouest (**'SCI Lagon Ouest'**), a French real estate investment company (société civile immobilière), with a share capital of 1,000 euros, having its registered office at 9bis, rue Saint-Marc - 68400 Riedisheim, and registered with the Trade and Companies Registry of Mulhouse under number 513 687 962;
- Ateliers de Mécanique Générale de Huningue (**'AMGH'**), a French limited liability company (société à responsabilité limitée) with a share capital of 36,000 euros, having its registered office at 9 B, rue Saint Marc - 68400 Riedisheim, and registered with the Trade and Companies Registry of Mulhouse under number 318 474 749;
- The copyrights, patents, know-how and trademarks (together, the **'IP rights'**) assigned by George Sireix and Guillaume Sireix to SPC Resources, Inc and

Sonoco Development, Inc under separate Assignment Agreements as part of the transaction.

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

'Initial Enforcement Order' means the Initial Enforcement Order issued by the CMA on 9 September 2020 and addressed to Sonoco;

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

'Sonoco' means Sonoco Products Company, Inc, and all its subsidiaries, including but not limited to Sonoco Holdings SAS, Sonoco Development, Inc, and SPC Resources, Inc;

'the Sonoco business' means the business of Sonoco and its subsidiaries but excluding the Can Packaging business, carried on as at the time of completion;

'Sonoco Development, Inc.' means Sonoco Development, Inc, a company construed under the laws of South Carolina, registered with Taxation number EIN 57-1075383 and whose registered office is located at 540 N. 2nd St, Hartsville, SC 29550, USA;

'Sonoco Holdings SAS' means Sonoco Holdings SAS, a simplified joint stock company (société par actions simplifiée), whose registered office is located at 5, rue de la Gare - 67590 Schweighouse; and registered with the Trade and Companies Registry of Strasbourg under the number 379 133 408;

'Sonoco Products Company, Inc' means Sonoco Products Company, Inc, the ultimate parent company of the Sonoco group of companies, located at 1 N. 2nd Street, Hartsville, South Carolina, United States of America (USA), post code 29550; and all its subsidiaries;

'SPC Resources, Inc.' means SPC resources Inc, a company construed under the laws of South Carolina, registered with Taxation number EIN 51- 0337676; and whose registered office is located at 540 N. 2nd St, Hartsville, SC 29550, USA;

'the transaction' means the transaction by which Sonoco and Can Packaging have ceased to be distinct within the meaning of section 23 of the Act;

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

Appointment

1. Sonoco must appoint a MT in order to ensure compliance with the Initial Enforcement Order, in particular to:

- a. monitor and report to the CMA on compliance by Sonoco with the Initial Enforcement Order; and
 - b. support the CMA in taking any remedial action which may be required to maintain the Sonoco and Can Packaging as separate businesses and as going concerns.
2. 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.
3. Sonoco must cooperate fully with the MT, in particular as set out below, and 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 Sonoco as set out in these directions.

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 his or her 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.
6. Sonoco shall remunerate 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.
7. Sonoco must appoint the MT as soon as is reasonably practicable and in any event by **COB on Thursday 19 November 2020** (or such longer period as the CMA may reasonably agree in writing, including via email), and the MT will continue to act either until the CMA reaches a decision to clear the Transaction or until the CMA directs that the MT is no longer required.
8. The appointment of a MT by Sonoco is subject to the approval of the CMA as to the identity of the MT and the terms and conditions of appointment in their entirety and:
 - a. the name of the proposed MT and a second proposed MT in reserve (should the CMA not approve the first proposed MT) must be notified to the CMA as soon as is reasonably practicable and in any event by **COB on Monday 16 November 2020**, (or such longer period as the CMA may reasonably agree in writing, including via email);
 - b. the draft terms and conditions of appointment must be notified to the CMA as soon as is reasonably practicable and in any event by **COB on**

Monday 16 November 2020 (or such longer period as the CMA may reasonably agree in writing, including via email); and

- c. once the MT has been approved by the CMA and appointed, Sonoco must provide the CMA with a copy of the agreed terms and conditions of appointment.

Functions

9. The functions of the MT will be to:
 - a. ascertain and report to the CMA in relation to the current level of compliance by Sonoco and its subsidiaries with the Initial Enforcement Order;
 - b. assess and report to the CMA in relation to the arrangements made by Sonoco for compliance with the Initial Enforcement Order and what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action, if required;
 - c. identify and supervise, if necessary, the arrangements made by Sonoco for ensuring compliance with the Initial Enforcement Order;
 - d. monitor compliance by Sonoco and its subsidiaries with the Initial Enforcement Order;
 - e. assist the CMA with the consideration of any derogation requests made by Sonoco and monitor compliance by Sonoco and its subsidiaries with any derogations granted by the CMA; and
 - f. without prejudice to the right of Sonoco to directly contact the CMA, respond to any questions which Sonoco may have in relation to compliance with the Initial Enforcement Order, in consultation with the CMA.
10. The MT must take such steps as he or she reasonably considers necessary in order to carry out his or her functions effectively, including requiring the provision of information or the production of documents relating to communications within and between the Sonoco and Can Packaging businesses, such as written and electronic communications, telephone conversations and meetings as may be required.
11. The MT must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by Sonoco with the Initial Enforcement Order.

Obligations of Sonoco

12. Sonoco, its affiliates 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 the Sonoco and the Can Packaging businesses as the MT may reasonably require; and
 - b. the provision of such office and supporting facilities as the MT may reasonably require.
13. If the Sonoco business is in any doubt as to whether any action or communication would infringe the Initial Enforcement Order, it is required to contact the MT for clarification.
14. If Sonoco has any reason to suspect that the Initial Enforcement Order may have been breached, it must notify the MT and the CMA immediately.

Reporting functions

15. The MT is required to provide an initial report to the CMA no later than **COB on Thursday 3 December 2020** (or such longer period as the CMA may reasonably agree in writing, including via email), 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:
 - a. details of the current extent of compliance with the Initial Enforcement Order by Sonoco and its subsidiaries;
 - b. a description of the current arrangements made for the operation of the Can Packaging business and for the preservation of the assets required to operate the Can Packaging business; and
 - c. recommendations as to what changes to those arrangements, if any, are necessary.
16. In addition to providing the initial report referred to in paragraph 15 above, the MT must provide a statement to the CMA every two weeks thereafter (or otherwise as required by the CMA) stating whether or not, in his or her view, Sonoco and its subsidiaries have complied with the Initial Enforcement 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 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 Sonoco and its subsidiaries have complied with the Initial

Enforcement Order, and, if he or she has such concerns, whether those concerns have been resolved and why;

ii. he or she has any remaining doubts or uncertainties as to whether Sonoco and its subsidiaries have complied with the Initial Enforcement Order; and

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

b. details of the performance of the Can Packaging business, including any factors that might indicate asset deterioration;

c. whether appropriate steps are being taken to maintain the Can Packaging business as a going concern;

d. the extent to which Sonoco and its subsidiaries have cooperated with the MT in his or her task of monitoring its compliance with the Initial Enforcement Order and details of any aspects of the cooperation of Sonoco that he or she considers could be improved;

e. the extent to which the MT considers that he or she is in an appropriate position to monitor the compliance of Sonoco and its subsidiaries with the Initial Enforcement Order and if there is anything that the MT considers would assist him or her in monitoring compliance;

f. any current or anticipated requests for consent to vary, or seek a derogation from, the Initial Enforcement Order; and

g. the information he or she used to compile the report.

17. 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 Sonoco would be entitled to withhold from the CMA on the grounds of legal privilege and nothing in these directions requires Sonoco to produce any information or documents to the MT which are privileged.

18. The MT must immediately notify the CMA in writing if he or she forms a reasonable suspicion that the Initial Enforcement Order has been breached, or 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 17 above).

19. All communications between the MT and the CMA (including the statements and reports referred to in paragraphs 15 and 16) are confidential and should not be disclosed to Sonoco, or to the Can Packaging business, save with the prior

written consent of the CMA. The MT shall not disclose such communications to third parties.