

**DEROGATION LETTER  
IN RESPECT OF INITIAL ENFORCEMENT ORDERS ISSUED PURSUANT TO  
SECTION 72(2) ENTERPRISE ACT 2002**

**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 3 November 2021.**

**Completed acquisition by Boparan Private Office, via Amber REI Holdings Limited, of Banham Poultry (2018) Limited (the ‘Acquisition’).**

We refer to your email and accompanying note dated 15 November 2021 requesting that the CMA consents to a derogation from the Initial Enforcement Order of 3 November 2021 (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, Boparan and Banham are required to hold separate the Banham business from any of the businesses of Boparan 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, the CMA consents to Boparan carrying out the following actions, in respect of the specific paragraphs:

**1. Paragraphs 4(b) and 5(e) – Issue of notes by Boparan**

The CMA understands that 2 Sisters Food Group Limited, a subsidiary of BHL, requires additional funding to meet increased working capital demands tied to the forthcoming festive period, as well as to the ongoing challenges posed by COVID-19, significant labour shortages and inflation. The CMA further understands that in order to secure this additional funding, Boparan Finance plc, another subsidiary of BHL, plans to raise [X] by issuing debt as publicly listed senior secured notes and BHL plans to raise [X] of super senior debt through a separate facility. Boparan submits that the aforementioned funding will be for the exclusive use of BHL and its subsidiaries, and no charges exist or will be taken over Banham or any of its assets as a result of this funding.

The CMA consents to a derogation from paragraphs 4(b) and 5(e) of the Initial Order to permit the necessary arrangements to raise funds by issuing debt as (i) publicly listed senior secured notes and (ii) super senior debt. The CMA grants this derogation strictly on the basis that:

- (a) The debt service costs payable by Boparan do not undermine the Boparan businesses' ability to pursue their pre-merger business plans.
- (b) Boparan will grant no security over Banham or any of Banham's assets as part of these funding arrangements.
- (c) In the event that Boparan became aware of enforcement by Boparan lenders, Boparan would notify the CMA.
- (d) Should the CMA order Boparan to divest all or part of its business, the Boparan business will take all necessary steps to ensure that there is no impediment to compliance with any such order as a result of Boparan's funding arrangements.
- (e) This derogation will not result in any integration between the Banham business and the Boparan businesses.
- (f) This derogation will not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

Anna Caro

Assistant Director, Mergers

17 November 2021