

**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 (‘Boparan’), of Banham Poultry (2018) Limited (‘Banham’) (the ‘Acquisition’).

We refer to your submissions of 20 November 2021 and 19 January 2022 requesting that the CMA consents to derogations 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 (together the ‘**Parties**’) 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the Parties carrying out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c) and 5(i) – recruitment of [X]

Banham submits that [X], has resigned [X]. The CMA understands that [X].

Banham submits that [X] decision to resign is in spite of the [X].

The CMA understands that [X], following an appropriate period of handover [X]. It understands that Banham will need to recruit [X].

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order to permit Banham to recruit [X].

The CMA consents to the above strictly on the understanding that:

- (a) Banham will recruit [REDACTED] as soon as practicable.
- (b) The new [REDACTED] will have the necessary experience and expertise to assume the role.
- (c) The grant of this derogation will not affect the viability of the Banham business.
- (d) The grant of this derogation will not result in any integration between the Banham business and the Boparan businesses.
- (e) The grant of this derogation will not prevent any remedial action which the CMA may need to take regarding the Acquisition.

2. Paragraphs 5(c) and 5(i) – recruitment of [REDACTED]

The CMA understands that Banham's [REDACTED].

The CMA is aware that the Parties had originally sought a derogation from the Order in order to [REDACTED]. The CMA understands that, further to the CMA's email of 26 November 2021, the Parties decided not to proceed with this secondment.

Banham submits that it now needs to recruit [REDACTED].

The CMA consents to a derogation from paragraphs 5(c) and 5(i) of the Initial Order to permit the above strictly on the basis that:

- (a) Banham will recruit [REDACTED] as soon as practicable.
- (b) The [REDACTED] will have the necessary experience and expertise to assume the role.
- (c) The grant of this derogation will not affect the viability of the Banham business.
- (d) The grant of this derogation will not result in any integration between the Banham business and the Boparan businesses.
- (e) The grant of this derogation will not prevent any remedial action which the CMA may need to take regarding the Acquisition.

3. Paragraphs 5(a), 5(e), 5(g) and 5(l) – guarantee of a [REDACTED] lease agreement

The CMA understands that, in 2020, [REDACTED] were leased from [REDACTED] by Chesterfield Poultry

Limited (**Chesterfield**), the previous owners of Banham, for use by Banham. [REDACTED].

The Parties submit that, given the change in ownership of Banham, this arrangement needs to be transferred, and this was provided for in the Share Purchase Agreement relating to the Acquisition of Banham dated 18 October 2022. [REDACTED]. The CMA understands that the Parties therefore intend to put in place the necessary arrangements for AREIL to guarantee the leasing arrangement so that it can be transferred into Banham's name and Banham can continue to use [REDACTED]. The CMA also understands that this would require the provision of certain limited information regarding the leasing arrangements by [REDACTED]. The Parties submit that this would be limited to the information that is strictly necessary to enable AREIL to approve the entry into the guarantee, and note that [REDACTED] has already signed a non-disclosure agreement in connection with the provision of certain financial information by Banham to Boparan, to which the CMA consented on 15 December 2021.

The CMA consents to a derogation from paragraphs 5(a), 5(e), 5(g) and 5(l) of the Initial Order to permit the above strictly on the basis that:

- (a) The information shared between [REDACTED] will be limited to the information strictly necessary to enable AREIL to approve the entry into the guarantee.
- (b) The grant of this derogation will not affect the viability of the Banham business.
- (c) The grant of this derogation will not result in any integration between the Banham business and the Boparan businesses.
- (d) The grant of this derogation will not prevent any remedial action which the CMA may need to take regarding the Acquisition.

Yours sincerely,

Alex Hazell

Assistant Director, Mergers

24 January 2022