

## **Carpenter Co. / Recticel NV/SA provisional findings report**

### **Appendices**

Appendix A: Terms of reference

Glossary

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- 1 In exercise of its duty under section 33(1) of the Enterprise Act 2002 (the Act) the Competition and Markets Authority (CMA) believes that it is or may be the case that:
  - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:
    - (I) enterprises carried on by Carpenter Co. will cease to be distinct from the enterprise consisting of the engineered foams business carried on by, or under the control of, Recticel NV/SA; and
    - (II) the condition specified in section 23(2)(b) of the Act is satisfied; and
  - (b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom (UK) for goods or services, specifically in relation to the (i) supply of unconverted comfort foam in the UK, (ii) supply of unconverted technical foam in the UK, and (iii) supply of converted comfort foam in the UK.
- 2 Therefore, in exercise of its duty under section 33(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 1 January 2023, on the following questions in accordance with section 36(1) of the Act:
  - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
  - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

**Sorcha O' Carroll**  
**Competition and Markets Authority**  
**18 July 2022**

## **Glossary**

<b>The Act</b>	The Enterprise Act 2002
<b>Carpenter</b>	Carpenter Co.
<b>CMA</b>	Competition and Markets Authority
<b>Independent converters</b>	Firms that purchase unconverted or semi-converted comfort foam which they then convert to sell to third party suppliers of finished products
<b>Integrated converters</b>	Firms that convert comfort foam in-house so as to manufacture and supply finished consumer goods
<b>The Merger</b>	Anticipated acquisition by Carpenter Co of the engineered foams business of Recticel NV/SA
<b>The Parties</b>	Carpenter Co and Recticel NV/SA
<b>The Phase 1 Decision</b>	The CMA's Phase 1 decision (dated 5 August 2022)
<b>PU</b>	Polyurethane
<b>Recticel</b>	Recticel NV/SA
<b>REF</b>	The engineered foams business of Recticel NV/SA
<b>Simple converted components</b>	Mattress components and semi-converted products
<b>SLC</b>	Substantial lessening of competition
<b>UK</b>	United Kingdom