

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 5 November 2014

Completed acquisition by Sonoco Products Company ('Sonoco') of Weidenhammer Packaging Group GmbH ('Weidenhammer')

We refer to your letters dated 29 October 2014 and 3 November 2014 prospectively requesting that the CMA consents to derogations to the Initial Enforcement Order of 5 November 2014 (the 'Initial Order'). Under the Initial Order, save for written consent by the CMA, Sonoco Products Company is required to hold separate the Sonoco business (as defined in the Initial Order) from the Weidenhammer business. After due consideration of your request for derogations from the Initial Order, Sonoco may carry out the following actions, in respect of the specific paragraphs:

Paragraphs 4 and 5 of the Initial Order

During the Specified Period (as defined in the Initial Order), the CMA consents to the integration of Sonoco and Weidenhammer outside of the UK as set out in Sonoco's letters of 29 October 2014 and 3 November 2014, to the extent that it does not impact the standalone viability of the Sonoco and Weidenhammer businesses in the UK and does not impede compliance with the Initial Order for the Sonoco and Weidenhammer businesses in the UK. For the avoidance of doubt, the pre-merger businesses of Sonoco and Weidenhammer in the UK, including inputs from outside the UK which are required for the operation of either of the UK businesses, will be preserved and these businesses will be kept separate during the Specified Period in line with the requirements of the Initial Order.

This derogation to the Initial Order is being granted on the basis of Sonoco's submissions that the key employees of Weidenhammer UK Limited (Weidenhammer UK) as at the commencement date of the Initial Order will be retained and Sonoco will make appropriate arrangements, as approved by the CMA, to ensure that the key employees of Weidenhammer UK who are based in the UK, as identified in its note of 3 November (the Weidenhammer UK Employees), will remain with the company during the Specified Period. The Weidenhammer UK Employees are:

- [REDACTED], Sales Director
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED], Finance & Administration
- [REDACTED], Technical Manager Plastics
- [REDACTED], Team Leader Engineering
- [REDACTED], Quality Manager.

The following directors and managers of Weidenhammer UK, who are located outside of the UK, are permitted to continue in their pre-merger roles working with the Weidenhammer UK Employees in running the overall Weidenhammer UK business (including necessary ex-UK inputs), and are also permitted to continue in their roles working for the Sonoco and Weidenhammer businesses outside of the UK. The aforementioned is permitted on the basis that the directors and managers listed below will enter into confidentiality agreements, approved by the CMA, pursuant to which they will not disclose any information regarding the Weidenhammer UK business to Sonoco's employees except as permitted by the CMA:

- [REDACTED], Managing Director
- [REDACTED], Interim Plant Director
- [REDACTED], Interim Customer Service Director
- [REDACTED], Director International Operations
- [REDACTED], Head of International Sales
- [REDACTED], Director Finance.

Paragraphs 4(a), 5(a), and 5(l) of the Initial Order

Pursuant to paragraph 5(b) of the Initial Order, during the Specified Period (as defined in the Initial Order), Sonoco shall maintain Weidenhammer UK and the Sonoco UK business as going concerns and sufficient resources must be made available for the development of Weidenhammer UK and the Sonoco UK business, on the basis of their respective pre-merger business plans.

In order to ensure compliance with paragraph 5(b) of the Initial Order, the CMA consents to Weidenhammer UK informing Sonoco on a monthly basis of the lump sum required for Weidenhammer UK's overall funding requirements for the forthcoming month and Sonoco providing that amount on an arm's length basis and on the basis of fair commercial terms to ensure the continuing viability of the Weidenhammer UK business as an ongoing concern. On the same basis, Sonoco is permitted to provide Weidenhammer UK with intergroup loans and/or an overdraft facility in respect of Weidenhammer UK's overall funding requirements. Signatories for the overdraft facility will be [REDACTED], on behalf of Weidenhammer UK, and [REDACTED], on behalf of Sonoco.

The CMA grants its consent for [X] to be given notice of any proposed expenditure by Weidenhammer UK exceeding [X] and grants [X] a right to veto the proposed expenditure if, in good faith, he considers the expenditure to be out of the ordinary course of business. The CMA gives its consent on the basis of Sonoco's submission that, during the Specified Period, Weidenhammer UK is unlikely to incur expenditure in excess of [X] other than for the acquisition of raw materials. Sonoco is to inform the CMA in advance of exercising this veto right.

Paragraphs 4(a), 5(f) and 5(l) of the Initial Order

During the Specified Period, the CMA consents to Weidenhammer UK's financial results being incorporated into Sonoco's consolidated financial results, for the purpose of:

- a) Reporting the Sonoco group financial results as required by applicable law, regulatory authorities and stock exchange rules; and
- b) Preparing completion accounts

The CMA gives consent for this provided that the five members of Sonoco's finance team who will get access to Weidenhammer UK Limited's financial information enter into confidentiality agreements pursuant to which they will undertake not to use or disclose Weidenhammer financial information except, to the extent necessary, for the sole purpose of reporting for the group accounts and preparation of completion accounts as described above.

Access to the above financial information will be limited to the following individuals, who will enter into confidentiality agreements approved by the CMA, pursuant to which they will undertake not to use or disclose Weidenhammer UK's financial information except for the sole purpose of preparing completion accounts and reporting:

- a) [X], Controller Sonoco RPP Europe
- b) [X], Sonoco Group Finance Manager UK
- c) [X], Weidenhammer Packaging Group GmbH
- d) [X], Weidenhammer Packaging Group GmbH
- e) [X], Weidenhammer Packaging Group GmbH

Paragraphs 4(a), 5(c), 5(e), 5(f), 5(i), and 5(l) of the Initial Order

During the Specified Period, the CMA consents to the appointment of [X] to act as a point of contact for the Weidenhammer UK business to ensure compliance with the statutory and legal obligations of Weidenhammer UK and Sonoco, including

preparation of audited accounts and completion accounts. The confidentiality agreement entered into by [REDACTED] will require him not to use or disclose the information to which he will have access in undertaking the above functions.

Paragraph 5(b) and 5(l) of the Initial Order

Prior to completion of the transaction, Weidenhammer Packaging Group GmbH provided to Weidenhammer UK a number of central services under the terms of the Service Agreement dated 30 December 2009 (the Service Agreement) between Weidenhammer Packaging Group GmbH and Weidenhammer UK. The CMA gives its consent for the Service Agreement to continue and for the following staff in the integrated Sonoco business outside of the UK to provide those services:

- [REDACTED], Director Operations, Managing Director
- [REDACTED], Interim Plant Director
- [REDACTED], Interim Customer Service Director
- [REDACTED], Director International Operations
- [REDACTED], Head of International Sales
- [REDACTED], Director Finance
- [REDACTED], Finance Team
- [REDACTED], Finance Director UK
- [REDACTED], Finance Manager UK
- [REDACTED], Internal lawyer

Staff outside of the UK who are involved in the supply of services to Weidenhammer UK will enter into a confidentiality agreement approved by the CMA to prevent business secrets, know-how, commercially-sensitive information, intellectual property, or any other information of confidential or proprietary nature relating to either of the two businesses passing from Weidenhammer UK to Sonoco or vice versa, except as permitted by the CMA.

This derogation is subject to the provision that, during the Specified Period, Sonoco agrees that payment of monthly invoices for the supply of services under the Service Agreement will be suspended and no cash shall be transferred from Weidenhammer UK to Sonoco. In the event of remedial action being taken by the CMA requiring the divestiture of the Weidenhammer business in the UK, any debts of Weidenhammer UK arising from the Service Agreement shall be written off.