

Disclosures of interest: Groceries market

Members' interests:

Peter Freeman

Peter Freeman, Chairman of the CC, who will chair the Group that is conducting this investigation, acted whilst a partner at Simmons & Simmons in connection with a possible offer to purchase Safeway in early 2003. The offer was not made and in July 2003 his contact with the client ceased.

Alan Hamlin

Alan Hamlin, a member of the Group that is conducting this investigation holds an academic post at the University of Manchester. Sir Terry Leahy (Chief Executive of Tesco) and Ms Anna Ford (Director of J Sainsbury plc) are co-Chancellors of the University. The position of co-Chancellor is largely honorary and the co-Chancellors have no management role in relation to Professor Hamlin's post. Professor Hamlin has not met or communicated with Sir Terry Leahy or Anna Ford, and does not expect to have any dealings with them in the future. Should he meet the co-Chancellors, he would not discuss his involvement in the groceries investigation.

Bruce Lyons

Bruce Lyons, a member of the Group that is conducting this investigation is editing a book of case studies on competition economics which is expected to be published by CUP in 2007, and associated to which a conference will be held in July 2006. One chapter of the book by Professor Paul Dobson will cover recent CC inquiries into supermarkets. Professor Lyons will not edit that chapter, nor will he have any input into it.

Professor Lyons's wife, Gwynne Lyons, is a Director of the CHEM Trust (which involves liaison with grocery retailers), and is a Member of the Advisory Committee on Hazardous Substances (DEFRA).

Mr Freeman, Professor Hamlin and Professor Lyons believe that they can discharge their obligations as members of the Group (and as Chair of the Group, in the case of Peter Freeman) investigating the groceries market independently and impartially. The CC believes that the matters described above will not compromise the ability of the Group to discharge its functions in an independent and impartial manner.

Staff interests

The brother-in-law of Martin Stanley, Chief Executive of the CC, is a manager in a J Sainsbury store in Braintree, Essex.

John Davies, Chief Economist at the CC, was until September 2003 a shareholder of and manager at Frontier Economics, an economics consultancy. Frontier Economics has advised clients in the grocery retail sector on competition matters, including Tesco, though Mr Davies did not work on any projects for Tesco.

David Roberts, Chief Business Adviser and Director of Remedies at the CC, worked for J Sainsbury plc until 2002 in various roles including Group Treasurer and Director of Corporate finance. Mr Roberts is also a deferred member of the J Sainsbury plc pension fund. He has no other interests in the sector and has had no involvement in J Sainsbury plc since 2002. Mr Roberts heads the team of CC staff business advisers, supervising their work and maintaining an oversight of inquiries (Peter Barron and Maria Cianci are the staff business advisers who will be more closely involved than Mr Roberts in the detail of the

case); he may also provide expert advice to the inquiry Group.

Clare Potter, Chief Legal Adviser at the CC was a partner at Simmons & Simmons until September 2004, and in that capacity, acted in connection with a possible offer to purchase Safeway in early 2003. The offer was not made and her contact with the client ceased in 2003. Ms Potter has a management and oversight role in respect of the staff team of CC legal advisers; the detail of the case will be handled by Tim Miller (see disclosure below) and Carole Begent.

Tim Miller, a legal adviser to the Group, was an associate at Coudert Brothers law firm between September 2001 until April 2005 and on occasions advised a manufacturer and supplier of household products, on competition and regulatory matters.

Nicola Mazzarotto, an economist adviser to the Group, has written the following articles in relation to the supermarket sector, as part of his doctorate at the University of East Anglia:

1. "Retail mergers and buyer power". Discussion paper of the Centre for Competition Policy (CCP), University of East Anglia. CCR wp 04-03, 2004. Being prepared for submission to the International Journal of Industrial Organization.
2. "Retailer-Supplier Relations in European Competition Policy: A case study". European Retail Digest, nr 39, Autumn, 2003.
3. "Competition policy towards retailers: size, seller market power and buyer power". CCR wp 01-4. 2001.

Nicola Mazzarotto has also co-written, with Prof. Roman Inderst, a chapter for the ABA Antitrust Section Handbook, Issues in Competition Law and Policy (W.D. Collins, ed., in preparation).

Kate Collyer, staff economist at the CC, until July 2004 was employed by the economics consultancy Lexecon (now CRA). During the time she worked there, Lexecon advised clients in the grocery sector, though she was not directly involved.

Kirsten Edwards, a staff economist at the CC, until November 2004 was employed by Deloitte (formerly Andersen). Some of her colleagues at Deloitte advised clients in relation to the 2003 Safeway inquiry, though she was not directly involved.

Kirsten Edwards is no longer employed at the CC.

The CC is satisfied that the impartiality of the inquiry will not be affected by any of the above interests.

Loyalty cards etc

Staff and members working on this inquiry, and their close relatives, also hold various store loyalty cards, and affiliated credit cards/ financial products, including Tesco Clubcard, Nectar Card (Sainsbury's), Sainsbury's Bank Visa Credit Card, Tesco Visa Card, M&S & More Card, Boots Loyalty Card, Littlewoods Card, Harrods Card, Waitrose Credit Card and a member of staff has a Sainsbury's Bank personal loan.

The CC is satisfied that the impartiality of the inquiry will not be affected by any of the above.

14 March 2007

Groceries Inquiry

Disclosure of interests for Chase & Partners and Mr Graham Chase

Introduction

The Competition Commission (the CC) proposes appointing Mr Graham Chase and Chase & Partners to provide expert industry advice on both land and planning issues for the Groceries inquiry. The CC proposes to make this appointment because of Mr Chase and Chase & Partners' experience and expertise.

Chase & Partners specialises in the shops, retail warehouse, food store and leisure property sectors in the areas of occupational and investment agency, development, consultancy and professional work representing landlords, tenant, developers and Local Authorities.

Mr Chase is currently the President and a Fellow of the Royal Institution of Chartered Surveyors, a Fellow of the Chartered Institute of Arbitrators and the Chairman of Chase & Partners, Chartered Surveyors, Commercial Property Consultants and Chartered Town Planners based in London.

The CC notes that Chase & Partners and/or Mr Chase currently act for: a number of supermarkets who are Main Parties in the Groceries inquiry; local authorities and other third parties including developers and landlords in their negotiations with a Main Party; and acting as an Arbitrator or Independent Expert to determine disputes involving a Main Party.

The CC believes that the disclosed matters described below will not compromise the ability of Chase & Partners and Mr Chase to provide independent and impartial advice on land and planning issues to the Group.

We set out below current and recently completed work undertaken by both Mr Chase and Chase & Partners that has involved a Main Party.

Disclosure of interests

Direct Instructions from Main Parties

Chase & Partners and Mr Chase act directly for Main Parties in a variety of matters, mostly relating to acquisition and disposal of property.

Acquisitions

Chase & Partners are currently acting on behalf of Tesco in acquiring a store in Suffolk where Mr Chase has been retained to negotiate the value of land to be purchased from the two local authorities who own part of the site.

In the past 10 years, Chase & Partners have acquired food store sites for development by Asda and Sainsbury's.

Disposals

Chase & Partners and Mr Chase have been instructed to sell properties held on lease by Budgens in various locations, mostly in and around London.

Acting as an Expert Witness

Chase & Partners and Mr Chase have been instructed by Tesco to act as an Expert Witness at a forthcoming Planning Inquiry to be held in March 2007 in relation to a site in Birmingham where Tesco is proposing to develop a food superstore in an edge of centre location.

Third party instructions

Chase & Partners and Mr Chase are instructed by third parties (often owners of sites or property) to discuss opportunities or negotiate with Main Parties (for example advising on rent reviews, surrender of leases, acquisition and disposals).

Local Authority Activity

Chase & Partners and/or Mr Chase act for approximately 44 local authorities in the UK, either their planning department or estates department including in connection with land used for the sale of groceries.

Dispute Resolution Appointments

Mr Chase is regularly appointed as either an Arbitrator or Independent Expert to determine disputes between Main Parties (owners of food stores) and the tenant retailers on issues usually relating to rent reviews, profit shares on development and service charge disagreements.

Mr Chase is currently appointed as an arbitrator in three third party disputes regarding food stores.

Mr Chase currently does not have any outstanding Independent Expert appointments on food stores, nor has had an instruction of this nature in the past 12 months.

Future work

The CC proposes that it will allow Chase & Partners and/ or Mr Chase to continue with its current instructions from supermarkets who are Main Parties in the Groceries inquiry. Chase & Partners and Mr Chase will not accept any further instructions from Main Parties during the length of Chase & Partners and Mr Chase's contract with the CC and one year after it ends, except that:

- Chase & Partners and Mr Chase can take instructions from Main Parties to act as an Arbitrator and an Independent Expert to determine disputes between Main Parties and other Main Parties or third parties;
- Chase & Partners and Mr Chase can take further instructions from Budgens solely in relation to disposing of its property.

For the avoidance of doubt Chase & Partners and Mr Chase can continue to act for third parties (which includes developers, landlords and local authorities) during the course of the Contract with the CC.

Definitions

Main Parties means retailers that supply groceries in the United Kingdom as noted in the Terms of Reference for the Groceries Inquiry dated 9 May 2006. A Main Party means any one of them.

The Groceries inquiry means the current Competition Commission investigation into the supply of groceries by retailers in the United Kingdom. The expression 'Groceries' is explained in the Terms of Reference for the Groceries Inquiry date 9 May 2006.