

**COMPLETED MERGER BETWEEN STONEGATE FARMERS LIMITED AND
DEANS FOOD GROUP LIMITED**

**DIRECTIONS ISSUED PURSUANT TO PARAGRAPH 12 OF THE
UNDERTAKINGS GIVEN BY NOBLE FOODS, CLIFFORD KENT, STONEGATE,
DEANS, MR PETER DEAN AND MR MICHAEL KENT TO THE COMPETITION
COMMISSION ON ²⁰ November 2006**

To preserve the possibility of restoring effective competition in the markets affected by the merger through the separation of the Stonegate business and the Deans business as viable, marketable and competitive businesses;

To supervise the establishment of mechanisms for ensuring compliance with the Undertakings, to monitor compliance by Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent, as appropriate, with the Undertakings; and, so far as possible, to ensure their full and effective compliance;

The CC now issues written directions under paragraph 12 of the Undertakings that, for the purpose of securing compliance with the Undertakings, Noble Foods, Stonegate and Deans shall appoint a Monitoring Trustee in accordance with the terms provided for in the Annex and Noble Foods, Clifford Kent, Stonegate, Deans Mr Peter Dean and Mr Michael Kent shall comply with the obligations set out in the Annex.



(signed) Barbara Mills

Group Chair

²⁰ November 2006

1. To supervise the establishment of mechanisms for ensuring compliance with the Undertakings, to monitor compliance by Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent, as appropriate, with the Undertakings; and, so far as possible, to ensure their full and effective compliance Noble Foods, Stonegate and Deans shall appoint a Monitoring Trustee (MT). The functions of the MT shall be as set out below. The MT shall act on behalf of the CC and shall be under an obligation to the CC to carry out his functions to the best of his abilities.
2. Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent shall cooperate fully with the MT, in particular as set out below. Noble Foods, Stonegate and Deans shall ensure that the terms and conditions of appointment of the MT shall reflect and give effect to the functions and obligations of the MT, Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent as set out in this document.

General

3. The MT shall possess appropriate qualifications and experience to carry out his functions.
4. The MT shall neither be nor become exposed to a conflict of interest.
5. The MT shall be remunerated and reimbursed by Noble Foods, Stonegate and Deans for all reasonable costs properly incurred in accordance with the terms and conditions of his appointment. This shall be done in such a way that does not impede his independence or his ability effectively to carry out his functions.

6. The MT shall be appointed by Noble Foods, Stonegate and Deans as soon as is reasonably practicable and in any event by 5pm on [to insert] 2006 and shall continue to act until the CC has finally determined the reference (within the meaning of section 79 of the Enterprise Act 2002).
7. The appointment by Noble Foods, Stonegate and Deans of a MT shall be subject to the approval of the CC as to the identity of the MT and his terms and conditions of appointment in their entirety. To this end, Noble Foods, Stonegate and Deans shall inform the CC as soon as is reasonably practicable and in any event by 5pm on [to insert] 2006 of the identity of the MT that Noble Foods, Stonegate and Deans proposes to appoint and provide the CC with draft terms and conditions of appointment and once appointed, Noble Foods, Stonegate and Deans shall provide the CC with a copy of the agreed terms and conditions of appointment.

Primary Functions

8. The Primary Functions of the MT shall be to supervise the establishment of mechanisms for ensuring compliance with the Undertakings, to monitor compliance by Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent, as appropriate, with the Undertakings; and, so far as possible, to ensure their full and effective compliance, during his term of appointment.
9. The MT shall take all steps that he reasonably considers to be necessary in order for him effectively to carry out his Primary Functions. Those steps may include, but shall not be limited to, the following.
 - (a) the monitoring of communications within the Noble Foods business and between the Stonegate business and the Deans business, including written and electronic communications, telephone conversations and meetings;

(b) the provision of such facilities as are necessary for the discharge by the MT of the MT's functions, including the provision of an office with a workstation, telephone, fax machine and a computer at such premises of the Noble Foods business, the Stonegate business and the Deans business as the MT may reasonably require; and

(c) the provision of full and complete access to all personnel, books, records, documents, facilities and information of Noble Foods, the Clifford Kent business, the Stonegate business and the Deans business as the MT may reasonably require.

10. The MT shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent with the Undertakings.

The obligations of Noble Foods, Stonegate and Deans

11. Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and/or Mr Michael Kent (including all employees, officers, directors, advisers and consultants) shall cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require.
12. If Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and/or Mr Michael Kent are in any doubt as to whether any action or communication would infringe the Undertakings, it should contact the MT to clarify the position.
13. If Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and/or Mr Michael Kent have any reason to suspect that the Undertakings might have been breached, it should notify the MT and the CC immediately.

Reporting functions

14. Ten working days following the date of his appointment the MT will provide a report to the CC which provides detailed information on the mechanisms which have been or will be put in place to ensure compliance with the Undertakings.

15. Thereafter on a fortnightly basis, the MT shall provide the CC with a statement certifying whether or not, in his view, Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent have complied with the Undertakings. At the same time, the MT shall provide the CC with a report setting out his views in relation to the following:
 - (a) The reasons why the MT has concluded that the Undertakings have or have not been complied with. In particular, the MT should set out and explain whether:
 - (i) anything has caused him to be concerned as to whether Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent were complying with the Undertakings and, if it has, what steps he has taken so as to satisfy himself as to their compliance; (ii) he has any remaining doubts or uncertainties as to whether Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent have complied with the Undertakings; and (iii) anything causes him to be concerned about a possible future breach of the Undertakings (whether deliberate or inadvertent).
 - (b) The extent to which the MT considers that he is in a good position to monitor the compliance of Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent with the Undertakings. The MT should set out and explain if there is anything that he considers would assist him in monitoring the compliance of Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent with the Undertakings.
 - (c) The extent to which Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent have cooperated with the MT in his task of monitoring

their compliance with the Undertakings. The MT should set out and explain if there are any aspects of the cooperation of Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent that he considers could be improved.

16. When providing his reports to the CC, the MT must ensure that he does not disclose any information or documents to the CC which Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and Mr Michael Kent would be entitled to withhold from the CC on the grounds of legal privilege.
17. The MT should notify the CC immediately if he forms a reasonable suspicion that the Undertakings have been breached, or if he considers that he is not in a position effectively to carry out his functions. In that situation, the MT should set out the reasons for his view and attach relevant supporting evidence (so far as he is permitted by paragraph 16).
18. All communications between the MT and the CC (including the statements and reports of the MT referred to in paragraph 17) shall be confidential and not disclosed to Noble Foods, Clifford Kent, Stonegate, Deans, Mr Peter Dean and/or Mr Michael Kent, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Enterprise Act 2002. The MT shall not disclose such communications to third parties.

Interpretation

19. In these directions references to 'the Undertakings' are references to the undertakings given to the CC on 20 November 2006. Terms and expressions defined in the Undertakings shall have the same meaning in these directions, save as the context otherwise requires.