

**ACQUISITION BY GREIF INC OF THE STEEL DRUM AND CLOSURES BUSINESS OF  
BLAGDEN PACKAGING GROUP: Redacted version**

**Undertakings given by Greif Inc and its subsidiaries Greif International Holding B.V. and Greif UK Limited (together Greif) to the Competition Commission pursuant to section 80 of the Enterprise Act 2002**

Whereas, on 20 February 2007, the OFT made the reference to the Competition Commission (CC) under section 22 of the Enterprise Act 2002 (the Act) concerning the completed acquisition by Greif Inc through various of its subsidiaries of enterprises forming the new steel drum and closures business of Blagden Packaging Group, comprising various subsidiaries and assets of Blagden Group NV (including its UK branch (Blagden)).

And whereas the CC wishes to ensure that no action is taken pending final determination of the reference which might prejudice that reference or impede the taking of any action by the CC under Part 3 of the Act which might be justified by the CC's decisions on the reference:

And whereas the reference has not been finally determined in accordance with section 79(1) of the Act:

Now Greif hereby gives to the CC the following undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action.

**Management of the Blagden business until determination of proceedings**

1. Except with the prior written consent of the CC or as permitted by these undertakings, Greif undertakes that it will not during the specified period take any action which might:
  - (a) lead to the integration of the Blagden business with the Greif business;
  - (b) transfer the ownership or control of Blagden or any part of it to any third party;
  - (c) otherwise impair the ability of Blagden to compete independently in any of the markets affected by the acquisition; or
  - (d) prejudice the reference to the CC or impede the taking of any action under the Act by the CC or other party which may be justified by the CC's decisions on the reference.
  
2. Further and without prejudice to the generality of paragraph 1, Greif will at all times during the specified period, procure that except with the prior written consent of the CC:
  - (a) the Blagden business is carried on separately from the Greif business and Blagden's separate sales or brand identity is maintained;
  - (b) the Blagden business is maintained as a going concern and sufficient resources are made available by Greif for the maintenance of that business as a going concern;

- (c) except in the ordinary course of business, and subject to the provisions of paragraph (o) below, no substantive changes are made to the organizational structure of the Blagden business or to the management responsibilities within the Blagden business;
- (d) the nature, description, range and quality of goods supplied in the United Kingdom by the Blagden business as at 30 November 2006 are in all material respects maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the two businesses:
  - (i) the assets of the Blagden business are maintained and preserved, including facilities and goodwill;
  - (ii) none of the assets of the Blagden business are disposed of; and
  - (iii) no interest in the assets of the Blagden business is created or disposed of;
- (f) subject to paragraph (g) below, the customer lists of the two businesses shall be operated and updated separately and any negotiations with Blagden's customers in relation to the Blagden business will be carried out by the Blagden business alone and for the avoidance of doubt Greif will not negotiate on behalf of the Blagden business or enter into any joint agreements with the Blagden business;
- (g) all existing contracts continue to be serviced by the business to which they were awarded, for the avoidance of doubt where the UK or any other part of any international contract was previously serviced by Blagden, Blagden shall continue to service that part, unless otherwise terminated by the customer;
- (h) notwithstanding paragraph (g) above, Greif shall carry out invoicing and credit control functions on Blagden's behalf in accordance with the procedures set out in Appendix 7; this will include invoicing all Blagden customers in Blagden's name in the form attached at Appendix 6; Greif will not send statements or other communications to Blagden customers in respect of Blagden production;
- (i) subject to paragraph (j) below, the supplier lists of the two businesses shall be operated and updated separately and any negotiations with Blagden's suppliers in relation to the Blagden business will be carried out by the Blagden business alone and for the avoidance of doubt Greif will not negotiate on behalf of the Blagden business or enter into any joint agreements with the Blagden business;
- (j) notwithstanding the undertaking in paragraph (i) above Greif shall be free to offer to supply steel (whether coiled or decoiled) to Blagden on arms length terms. Greif shall procure that the General Manager of Blagden shall be free to determine in the interests of the Blagden business alone whether or not and in what quantity Blagden should purchase any steel offered to it by Greif;

- (k) there is no further integration of the information technology of the two businesses, and the software and hardware platforms of the Blagden business shall remain essentially unchanged, except for routine changes and maintenance;
- (l) without prejudice to the generality of paragraph (k) above Blagden will continue to receive IT support from Greif and Greif will ensure that suitable confidentiality arrangements for all staff involved are in place;
- (m) except as provided in paragraph (o) below, no key staff are transferred or seconded between the two businesses;
- (n) all reasonable steps including offering reasonable additional incentives are taken to encourage all key staff to remain with the Blagden business;
- (o) notwithstanding the undertakings set out in paragraphs (m), (n) and (c) above:
  - (i) Martin Joyce will be relieved of all of his current responsibilities (if any) as an employee of Greif UK Limited, to enable him to fulfil the role of General Manager of Blagden until final determination of the reference;
  - (ii) the exclusive formal reporting line for Martin Joyce's Blagden responsibilities will be to Ivan Signorelli of Greif International Holding B.V. and Greif Inc;
  - (iii) John Shepherd will be relieved of all of his current responsibilities (if any) as an employee of Greif UK Limited, to enable him to fulfil the role of Sales and Commercial Manager of Blagden until final determination of the reference;
  - (iv) the exclusive formal reporting line for John Shepherd's Blagden responsibilities will be to Martin Joyce;
  - (v) Andy Hall will be relieved of all of his current responsibilities (if any) as an employee of Greif UK Limited, to enable him to fulfil the role of Finance and Admin Manager of Blagden until final determination of the reference;
  - (vi) the exclusive formal reporting line for Andy Hall's Blagden responsibilities will be to Martin Joyce;
  - (vii) ☒ will remain an employee of Greif but will also fulfil the role of Health and Safety Manager of Blagden;
  - (viii) the exclusive formal reporting line for ☒'s Blagden responsibilities will be to Martin Joyce;
- (p) no Confidential Information (as defined in paragraph (r) below) regarding the Blagden business will be solicited, or otherwise procured by Greif from Martin Joyce, John Shepherd or Andy Hall, or any other person employed by or on behalf of Blagden, except as permitted in paragraph (r) below and provided that such procurement is undertaken in accordance with paragraph (s) below;

- (q) until final determination of the reference, effective Confidentiality Agreements are entered into by, and remain in place with:
- (i) Martin Joyce, John Shepherd and Andy Hall in respect of their employment and/or functions at Blagden;
  - (ii) Ivan Signorelli in respect of any Confidential Information concerning the Blagden business which is conveyed to him in accordance with his function as the formal reporting line for Martin Joyce;
  - (iii) X in respect of any Confidential Information concerning the Blagden business which he receives in relation to his role as Health and Safety Manager;
  - (iv) any Greif staff involved in the provision of IT support to Blagden in respect of any Confidential Information they receive in relation to that role;
  - (v) X in respect of any Confidential Information concerning the Blagden business which is conveyed to him in accordance with the taxation support which he is giving to Blagden as described in Appendix 1;
  - (vi) X and X in respect of any Confidential Information concerning the Blagden business which they receive in relation to performing the invoicing and credit control function for Blagden as described in Appendix 1;
  - (vii) Wanda van Engelen in respect of any Confidential Information concerning the Blagden business which she receives in the course of her duties as in-house counsel for Greif;
  - (viii) X in respect of any Confidential Information concerning the Blagden business which she receives in relation to her part-time role providing job training to the cashier of the Blagden business;
- (r) except as provided for in paragraph (s) below, no business secrets, know-how commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the two businesses (Confidential Information), shall pass, directly or indirectly, from Blagden (or any of its employees, directors, agents or affiliates) to Greif (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business and on the basis that, should the merger be prohibited, any records or copies (electronic or otherwise) of such information wherever they may be held will be returned to the relevant business and any copies destroyed;
- (s) notwithstanding the undertaking set out in paragraph (r) above, the flow of Confidential Information from the Blagden business (or any of its employees, directors, agents or affiliates) to the Greif business (or any of its employees, directors, agents or affiliates) is permitted in the circumstances specified in Appendix 1;

- (t) advance notice of any disclosure required in accordance with paragraph (r) above (which disclosure does not fall within the circumstances specified in Appendix 1) is given to the CC by the General Manager of Blagden at least five days before the date of disclosure, with details of:
  - (i) the nature of any Confidential Information which is to be disclosed;
  - (ii) the reason for the proposed disclosure; and
  - (iii) the persons to whom it is intended to make the disclosure;
- (u) within 14 days of the date of these undertakings the General Manager of Blagden takes all appropriate steps to write to all persons dealing with Blagden (including all customers, suppliers, agents and other staff) in the terms set out in Appendix 5 or equivalent in order to:
  - (i) introduce himself to all persons (including all customers, suppliers, agents and other staff) dealing with Blagden as the General Manager of Blagden;
  - (ii) reassure all persons dealing with Blagden that the business is an independent, going concern with the financial resources to meet all current and future commitments and to confirm the existence of these undertakings and how they may be found from the CC's website;
  - (iii) confirm the appropriate points of contact for sales services and other business aspects;
  - (iv) confirm the invoicing arrangement for the Blagden business which has been put in place in order to comply with paragraph (h) above.

## **Compliance**

3. Greif shall procure that each of its subsidiaries and divisions, including the Blagden business, complies with these undertakings as if each subsidiary or division had given them.
4. Greif shall forthwith provide to the CC such information or statement of compliance as the CC may from time to time require for the purposes of monitoring compliance by Greif with these undertakings.
5. In particular:-
  - (a) on 1 May 2007 and subsequently on the first day of each month, (or, where the first day does not fall on a working day, the first working day thereafter) Ivan Signorelli of Greif International Holding B.V. shall provide a monthly statement to the CC on behalf of Greif confirming compliance with these undertakings in the form set out in Appendix 2 to these undertakings.
  - (b) on 7 May 2007 and fortnightly after that on alternate Mondays the General Manager of Blagden shall provide a fortnightly statement to the CC confirming

compliance with these undertakings in the form set out in Appendix 3 to these undertakings.

6. Blagden will at all times actively keep the CC informed of any material developments relating to the Blagden business including:
  - (a) any material developments concerning financial and other resources made available to the Blagden business;
  - (b) details of the total number of employees and details of key staff who leave or join the Blagden business;
  - (c) any Blagden business plant breakdowns which have halted production for more than 24 hours or changes in the Blagden business' production arrangements which have affected the working pattern of more than five Blagden business employees;
  - (d) all substantial customer volumes won or lost by the Blagden business including any substantial changes in customers' demand;
  - (e) substantial changes in the Blagden business contractual arrangements or relationships with key suppliers;
  - (f) details of any dealings with Greif, including any steel purchased from Greif and any business sub-contracted;
  - (g) any material quality issues concerning the products manufactured by the Blagden business; and
  - (h) any other material developments affecting the Blagden business.
7. In particular and in conjunction with the statement of compliance to be provided under 5(b) above, on 7 May 2007 and fortnightly after that on alternate Mondays, the General Manager of Blagden shall provide to the CC an update by completing a spreadsheet in the form attached as Appendix 4 and providing copies of the minutes of meetings of the Blagden management team.
8. Greif shall comply, insofar as it is able, with such written directions as the CC may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings.

### **Interpretation**

9. The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.
10. For the purposes of these undertakings:

**'the acquisition'** means the acquisition by Greif Inc of the new steel drums and closures business of Blagden Packaging Group, completed on 30 November 2006;

**'the Act'** means the Enterprise Act 2002;

**'an affiliate'** of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under the common control for the purposes of section 26 of the Act;

**'business'** has the meaning given by section 129(1) and (3) of the Act;

**'the CC'** means the Competition Commission;

**'control'** includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise but without having a controlling interest in that body corporate or in that enterprise, and in the case of a body corporate, a person shall for the purposes of these undertakings be deemed to control it if he holds, or has an interest in, shares of that body corporate which amount to 10 per cent or more of its issued share capital or which carry an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

**'the decisions'** means the decisions of the CC on the questions which it is required to answer by virtue of section 35 of the Act;

**'key staff'** means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business, including but not limited to Martin Joyce, John Shepherd and Andy Hall;

**'the OFT'** means the Office of Fair Trading;

**'the ordinary course of business'** means matters connected to the day to day supply of goods and services by Blagden and does not include matters involving significant changes to the organizational structure or related to the post-merger integration of Blagden;

**'the specified period'** means the period beginning on the date of these undertakings and terminating when the reference is finally determined in accordance with sections 79(1) and (2) of the Act;

**'subsidiary'**, unless otherwise stated, has the meaning given by section 736 of the Companies Act 1985 (as amended);

**'the two businesses'** means the Greif business and the Blagden business;

**'Greif'** means Greif Inc (being the US parent company), Greif International Holding B.V. (being the Netherlands subsidiary), Greif UK Limited (being the UK subsidiary) and all other subsidiaries collectively;

**'the Greif business'** means the business of Greif and its subsidiaries carried on as at 30 November 2006;

**'Blagden'** means the UK branch of Blagden Group NV acquired as part of the new steel drum and closures business of Blagden Packaging Group;

**'the Blagden business'** means the business of Blagden carried on as at 30 November 2006; and

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF GREIF INC

..... Signature	..... Signature
..... Name	..... Name
..... Title	..... Title
..... Date	..... Date

FOR AND ON BEHALF OF GREIF INTERNATIONAL HOLDING B.V.

..... Signature	..... Signature
..... Name	..... Name
..... Title	..... Title
..... Date	..... Date

FOR AND ON BEHALF OF GREIF UK LIMITED

..... Signature	..... Signature
..... Name	..... Name
..... Title	..... Title
..... Date	..... Date

## APPENDIX 1

For the purpose of these undertakings, the flow of Confidential Information is permitted without prior notification to the CC where:

- (a) in order to comply with Greif Inc's obligations as a public company to give periodic guidance on financial performance to its shareholders (deriving from SEC rules and the requirements of the NYSE where Greif Inc is listed), Greif Inc requires access to certain financial information relating to Blagden. The information necessary is limited to:
  - (i) profit and loss, balance sheet and key performance indicators on a monthly basis and will be provided in the form below; and
  - (ii) information contained within Greif Inc's Quarterly Review Questionnaire and Quarterly Analysis Spreadsheet on a quarterly basis.

the information will be provided by Blagden, in the form attached to this Appendix 1, to Ivan Signorelli of Greif International Holding B.V. and will only be used by Greif for the purposes described in this paragraph. The information will not be provided to Greif UK Limited (other than as consolidated with Greif Inc's overall accounts in any published form). A copy of any Confidential Information relating to the Blagden business which is passed to Greif in accordance with this paragraph shall also be provided to the CC.

- (b) in order for Greif to co-operate fully with the inquiry, and to comply with regulatory and legal obligations under applicable law, Wanda van Engelen, in-house counsel at Greif International Holding B.V. requires access to information relating to Blagden in her capacity as in-house counsel for Greif; and subject to a suitable confidentiality agreement with Wanda van Engelen remaining in place until the final determination of the reference;
- (c) in order for Greif to co-operate with an investigation by HM Revenue and Customs into Blagden's tax affairs in accounting periods prior to 30 November 2006, ~~☒~~, requires access to Blagden's accounting and financial information for such accounting periods; and subject to a suitable confidentiality agreement remaining in place until the final determination of the reference; for the avoidance of doubt, ~~☒~~ will not be given general access to Blagden's accounts or to the Westinghouse Road site for the above purpose;
- (d) in order for Greif to perform the invoicing and credit control function for Blagden, Greif UK Limited's credit manager, ~~☒~~, and ~~☒~~, directors' secretary, require access to Blagden's invoices and supporting sales and production documentation; and subject to suitable confidentiality agreements with them remaining in place until the determination of the reference.

[Attachment referred to in Appendix 1(a)]

## APPENDIX 2

### Compliance statement for Greif

I, Ivan Signorelli of Greif Inc and Greif International Holding B.V., confirm on behalf of Greif that since the date of the undertakings given by Greif and accepted by the CC on [date] (the undertakings):

- (a) Greif has complied with the undertakings in the period from *[insert date]* to *[insert date]*.
- (b) No action has been taken by Greif in the period from *[insert date]* to *[insert date]* that will impede the taking of any action by the CC which may be justified by its decision on the reference.
- (c) Greif remains in full compliance with the undertakings and will continue actively to keep the CC informed of any material developments relating to the Blagden business in accordance with paragraph 6 of the undertakings.
- (d) The Blagden business has been maintained as a going concern and sufficient resources have been made available for the maintenance of the Blagden business as a going concern.
- (e) The Blagden business' customer/supplier lists have been operated and updated purely for the purposes of the Blagden business without any involvement of Greif.
- (f) All customer/supplier negotiations for the Blagden business have been carried out independently of Greif.
- (g) There have been no substantive changes to the nature, description, range and quality of any goods and/or services supplied by the Blagden business.

#### **Assets-including facilities and goodwill**

- (h) Except in the ordinary course of business, none of the assets of the Blagden business has been disposed of.
- (i) Except in the ordinary course of business, no interest in the assets of the Blagden business has been created or disposed of.
- (j) Except in the ordinary course of business, all of the assets of the Blagden business have been maintained and preserved as they were before the merger.

#### **Contracts**

- (k) All existing contracts awarded to the Blagden business continue to be serviced by Blagden, including that part of any international contract which was previously serviced by Blagden.

**Information technology systems**

- (l) There have been no changes to the software and hardware platforms of the Blagden business other than routine changes and maintenance.

**Staff**

- (m) No changes have been made to the key staff or the organizational structure of the Blagden business or to the management responsibilities within the Blagden business.

**Material developments**

- (n) There have been no material changes to the resources made available to the Blagden business and those remain sufficient to maintain it as a going concern.

**Confidential information**

- (o) No business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the two businesses has passed, directly or indirectly, from Blagden (or any of its employees, directors, agents or affiliates) to Greif (or any of its employees, directors, agents or affiliates), or vice versa save as permitted by the undertakings.

FOR AND ON BEHALF OF GREIF INC AND GREIF INTERNATIONAL HOLDING B.V.

Signature: .....

Name: Ivan Signorelli

Title: .....

Date: .....

## **APPENDIX 3**

### **Compliance statement for Blagden**

I, Martin Joyce, confirm that since the date of the undertakings given by Greif and accepted by the CC on [date] (the undertakings):

- (a) The Blagden business has been maintained as a going concern and sufficient resources have been made available for the maintenance of the Blagden business as a going concern.
- (b) The Blagden business' customer/supplier lists have been operated and updated purely for the purposes of the Blagden business without any involvement of Greif.
- (c) All customer/supplier negotiations for the Blagden business have been carried out independently of Greif.
- (d) There have been no substantive changes to the nature, description, range and quality of any goods and/or services supplied by the Blagden business.

#### **Assets - including facilities and goodwill**

- (e) Except in the ordinary course of business, none of the assets of the Blagden business has been disposed of.
- (f) Except in the ordinary course of business, no interest in the assets of the Blagden business has been created or disposed of.
- (g) Except in the ordinary course of business, all of the assets of the Blagden business have been maintained and preserved as they were before the merger.

#### **Contracts**

- (h) All existing contracts awarded to the Blagden business continue to be serviced by Blagden, including that part of any international contract that was previously serviced by Blagden.

#### **Information technology systems**

- (i) There have been no changes to the software and hardware platforms of the Blagden business, other than routine changes and maintenance.

#### **Staff**

- (j) No changes have been made to the key staff or the organizational structure of the Blagden business or to the management responsibilities within the Blagden business.

**Material developments**

- (k) Except as detailed in the attached spreadsheet there have been no:
  - (i) material developments concerning financial and other resources made available to the Blagden business;
  - (ii) changes to the total number of employees or the identities of key staff employed by the Blagden business;
  - (iii) substantial changes in the Blagden business contractual arrangements or relationships with key suppliers;
  - (iv) plant breakdowns at the Blagden business which have halted production for more than 24 hours or changes in the Blagden business' production which have affected the working pattern of more than five employees of the Blagden business;
  - (v) substantial customer volumes won or lost for the Blagden business and no substantial changes to the Blagden business' customer contracts;
  - (vi) other material developments affecting the Blagden business.

**Confidential information**

- (l) No business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the two businesses has passed, directly or indirectly, from Blagden (or any of its employees, directors, agents or affiliates) to Greif (or any of its employees, directors, agents or affiliates), or vice versa save as permitted in the undertakings.

I attach a copy of the minutes of all meetings of the Blagden management since the last compliance statement was provided on *[insert date]* and a completed spreadsheet as required under paragraph 7 of the undertakings.

Signature: .....

Name: Martin Joyce

Title: Blagden General Manager

Date: .....

## **APPENDIX 4**

[Spreadsheets attached]

## APPENDIX 5

I am writing to update you on progress since Greif's acquisition of the new steel drum business of Blagden Packaging Group in November last year. You may be aware that the UK Competition Commission has launched an investigation into the impact of the transaction in the UK. Pending the outcome of the investigation Greif has given the Competition Commission assurances that the Blagden business will continue to trade independently under the Blagden name from our site at Westinghouse Road.

I have been appointed as General Manager and will continue to oversee all aspects of our operations. John Shepherd continues in his role as Sales and Commercial Manager.

Further information about the Competition Commission's investigation and procedures as well as a copy of the undertakings are available from their website:

<http://www.competition-commission.org.uk/inquiries/ref2007/blagden/index.htm>

Please note that, in relation to future sales made to you by Blagden, you will receive an invoice from Blagden in the attached format. Payment will continue to be collected on Blagden's behalf by Greif UK Limited and you should continue to arrange payment of the invoice to Greif UK Limited in accordance with the payment instructions set out on the invoice.

I should like to assure you that the Blagden business is fully resourced and able to meet your current and future requirements. Please do not hesitate to contact John or me if you have any questions.

## **APPENDIX 6**

[Pro-forma Blagden invoice attached]

## APPENDIX 7

### Invoicing and Credit Control

1. Blagden shall invoice Greif UK Limited on a daily basis for the total cost of the sum of sales to its customers for that day; that invoice, with supporting documentation showing how it has been calculated, will be posted to Greif UK Limited on a daily basis. These must be addressed to and received unopened by X (Credit Manager) at Greif UK Limited.
2. X will, with the assistance of X (directors' secretary), raise and send out sales invoices to the Blagden customers in the form attached at Appendix 6, using the sales information supplied by Blagden.
3. X will check the posting of the invoices to the Greif UK Limited nominal ledger.
4. X will be responsible for the collection of all Greif UK Limited's outstanding trade debtors (i.e. including those supplied by Blagden).
5. X contact with Blagden will be limited to only those people and those things that assist with the collection of the debts owed by third party customers.
6. Blagden will contact only X and/or X in relation to invoicing and credit control for its customers (and no other members of Greif staff).
7. Any confidential information or documentation, including customer and sales details and production related information, that X or X receives as a result of the customer invoicing and credit control procedure described here will:
  - a) be kept confidential at all times;
  - b) not be discussed with any other Greif staff, including Greif UK Limited's directors and Sales Department staff;
  - c) be held separately from Greif information and documentation; and
  - d) be kept in a secure filing cabinet when not in use by X and X.
8. Greif will pay the Blagden invoices addressed to it in accordance with agreed credit terms, namely 45 days following the date of the invoice.