

DETERMINATION OF MERGER NOTIFICATION M/22/047 – BWG / McCARRICK BROTHERS WHOLESale

Section 21 of the Competition Act 2002

Proposed acquisition by BWG Foods Unlimited Company of the entire issued share capital and thus sole control of McCarrick Brothers Wholesale Longford Limited

Dated 07 November 2022

Introduction

1. On 6 September 2022, in accordance with section 18(1)(a) of the Competition Act 2002 as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby BWG Foods Unlimited Company (“BWG”), a wholly owned subsidiary of TIL JV Limited, would acquire the entire issued share capital and thereby sole control of McCarrick Brothers Wholesale Longford Limited (the “Target”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement dated 05 September 2022 (the “SPA”) between BWG and five private individuals, [...] (the “Sellers”), by which BWG will acquire the entire issued share capital of the Target from the Sellers.
3. The Target is a newly incorporated company which owns the business and certain assets of McCarrick Brothers (Longford) Limited (“McCarricks”). Pursuant to the Proposed Transaction, BWG will acquire 100% of the issued share capital of the Target, which will result in the transfer of goodwill, employees, stocks, debtors, creditors, cash, vehicles and manual handling equipment employed in the business of McCarricks to BWG. McCarricks’ premises at Athlone Road, Townparks, Longford will not transfer under the Proposed Transaction, [...]



The Undertakings Involved

The Acquirer – BWG

4. BWG is a food retail and wholesale distribution company incorporated and operating in the State. BWG is a wholly-owned indirect subsidiary of BWG Group Unlimited Company (“BWG Group”) (a company incorporated in the State), which in turn is a wholly-owned indirect subsidiary of TIL JV Limited (a company incorporated in the Isle of Man). BWG is active in both retail and wholesale distribution of grocery goods in the State to retailers, foodservice customers and the licensed trade. TIL JV Limited is 100% owned by The SPAR Group Limited, a public company registered in South Africa and listed on the Johannesburg stock exchange, the JSE.
5. At the retail level, BWG:
 - owns and operates the *Spar* franchise in the State (the *Spar*, *Eurospar* and *Spar Express* brands);
 - owns and operates the *Londis* franchise in the State (the *Londis* brand);
 - owns and operates the *XL* and the *Xpress Stop* brands which comprise smaller stores, generally under 100 m², which are supplied by BWG’s cash and carry outlets;
 - has the right to license the *Mace* brand throughout the State;
 - has a supply agreement with [...];¹
 - owns 40% of Fresh Opportunities Limited which operates nine *Fresh* retail stores in Dublin, all of which have trading agreements with BWG.
6. BWG has approximately 1000 affiliated retail stores², including [...] affiliated *Gala* branded stores and [...] *Maxol* stores.. [...] of the affiliated stores are owned and operated by an indirect subsidiary of BWG Group, Triode Newhill Management Services Limited. Triode Newhill Finance Limited (a wholly owned indirect subsidiary

¹ In the notification, the parties state the following: [...]

² Affiliated retailers operating under the brands as outlined in para 5 above.



of BWG Group) and its subsidiaries own the freehold or leasehold interest in [...] retail premises which are franchised to third-party retailers.

7. BWG is involved in wholesale food and grocery distribution to its affiliated stores and to stores operated by independent retailers. It is also involved in the wholesale distribution of food and beverages to foodservice customers and to the licensed trade. BWG operates a distribution centre, a chain of 19 wholesale cash and carry outlets under the *Value Centre* brand throughout the State, and two wholesale cash and carry outlets under the *4 Aces* and *Better Deal* brands. BWG acquired the *4 Aces* and *Better Deal* brands through its acquisition of 4 Aces Wholesale Limited, which was notified to the Commission in 2018 and was cleared by the Commission that year taking into account proposals submitted by BWG under section 20(3) of the Act (the “4 Aces Commitments”).³ Following its acquisition of Roadfield Holdings Limited, BWG also operates a warehouse in Athenry and a smaller warehouse in Dublin, both of which are held under leases from third parties.⁴ Following the acquisition of Heaney Meats Catering Limited (now called Cruinniú Bia Limited), BWG operates a base at Liosbaun Industrial Estate, Galway.⁵
8. For the financial year ending 30 September 2021, TIL JV Limited’s worldwide turnover was approximately €1.691 billion, of which approximately €1.45 billion was generated in the State.

The Target – McCarrick Brothers Wholesale Longford Limited

9. The Target is a newly incorporated company (incorporated in the State on 1 June 2022) which owns the business and certain assets of McCarricks⁶. McCarricks, a company which was incorporated in the State in 1975, has five shareholders, all of

³ See the Commission’s determination in M/18/009 – *BWG Foods/4 Aces*, which is available at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m18009-bwg-foods4-aces/>

⁴ This acquisition was notified to, and cleared by, the Commission in 2018. See the Commission’s determination in M/18/077 – *BWG/Roadfield (Corrib Foods)*, available at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-18-077-bwg-roadfieldcorrib-foods/>

⁵ This acquisition was notified to the Commission in 2019 and cleared by the Commission in 2020. See the Commission’s determination in M/19/039 – *BWG/Heaney Meats*, available at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-19-039-bwg-heaney-meats/>

⁶ [...]



whom are private individuals. McCarricks currently operates from a [...] square-foot premises in Longford town and is managed and run by [...], the company's main shareholder. [...], company secretary and minority shareholder, is also involved in the day-to-day running of the business. [...] and [...] are the other shareholders; however, they are not involved in the day-to-day running of the business.

10. McCarricks sells dry goods to retailers, foodservice customers and the licensed trade. McCarricks delivers to customers in counties Longford, Offaly, Meath, Westmeath, Leitrim, Roscommon, Sligo and Cavan.
11. McCarricks is a member of the Gala Retail Services Limited ("GRSL") and Stonehouse Marketing Limited ("Stonehouse") buying groups, and as such offers franchise opportunities for retailers looking to develop their business. GRSL is a wholesaler-owned buyer group with seven "members" or shareholders and it also effectively operates as a wholesaler-franchisor. GRSL owns the *Gala* brand, which it makes available to retailers with which it has a franchise agreement. Approximately [...] retailers currently operate under the *Gala* brand in the State. GRSL also owns the *Your Stop* brand. GRSL is funded by annual payments (or "subscriptions") from GRSL members and from *Gala*-branded franchisees. GRSL negotiates with manufacturers and suppliers on its members' behalf and GRSL members (including McCarricks) can avail of GRSL-negotiated terms for products supplied to GRSL-branded stores only. As part of its wholesale business, McCarricks supplies [...] *Gala/Your Stop* franchise retailers which are all independently owned and operated.
12. Stonehouse is a wholesaler-owned Irish marketing and buying group. Stonehouse has 17 "members" or shareholders, all of which are Irish grocery wholesalers. Stonehouse currently has seven directors, representing its larger members. Stonehouse negotiates with manufacturers and suppliers on behalf of its members. Stonehouse has two own-label brands, *Homestead* and *White Hat*, the latter of which is a foodservice brand.
13. For the financial year ended 31 December 2021, McCarricks' worldwide turnover was approximately €[...] million, all of which was generated in the State.



Rationale for the Proposed Transaction

14. The parties state in the notification:

“The Sellers are exiting the business of the wholesale supply of grocery goods, and the Proposed Transaction represents a combination of two complementary businesses.”

Contacts with the Undertakings Involved

15. During its investigation, the Commission requested and received further information and clarifications from the parties on an ongoing basis. In the course of this communication between the Commission and the parties, BWG submitted proposals to the Commission in accordance with section 20(3) of the Act. This adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.

Third-Party Submissions

16. No third-party submission was received.

Competitive Analysis

RELEVANT PRODUCT MARKET

17. As grocery wholesalers, both BWG and McCarricks are involved in the wholesale supply of grocery goods to their retail franchisees, non-affiliated retailers, and other customers. The Commission’s predecessor, the Competition Authority, identified in its 2008 analysis of grocery retailing and wholesaling⁷ three categories of grocery wholesaler: wholesaler-franchisors; cash and carry wholesalers; and buying groups.⁸

⁷ Namely, the Competition Authority’s report “A Description of the Structure and Operation of Grocery Retailing and Wholesaling in Ireland: 2001 to 2006”, which is available at https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/02/grocery_monitor_report_1.pdf.

⁸ This list excludes vertically integrated retailers.



These wholesale grocery distributors supply the various sectors of the wholesale market, namely, retail, foodservice, and licensed trade.⁹

18. The parties state the following in the notification:

“that the three categories of wholesale grocery distributor all compete for the wholesale distribution of grocery goods to the above sectors and accordingly, that there is a single market for the wholesale distribution of grocery goods in the State.”

19. The Commission does not need to come to a definitive view on the precise relevant product market in this instance since its conclusion on the competitive impact of the Proposed Transaction will be unaffected whether the relevant product market is defined more narrowly, (i.e. by reference to the retail, foodservice and licensed trade sectors separately) or more broadly (i.e. by reference to the overall wholesale supply of grocery goods). In previous merger review cases, the Commission and its predecessor the Competition Authority focused their analysis on the impact of the proposed transactions in those cases on the wholesale supply of grocery goods in the State.¹⁰ The Commission has not, in the course of its analysis of the Proposed Transaction, found reasons to depart from the approach previously adopted by the Commission and its predecessor the Competition Authority.

Relevant Geographic Market

20. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant geographic market because doing so will not alter the Commission’s assessment of the likely competitive effects of the Proposed Transaction. For the purpose of assessing whether the Proposed Transaction might

⁹ See the approach taken in the determination of the Competition Authority in M/08/014 – BWG/Mangan’s (available at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m08014-bwgmangans/>), at paragraph 33; and in the determination of the Commission in M/18/009 – BWG/4 Aces, at paragraph 25.

¹⁰ See the Commission’s determination in M/15/009 – BWG/Londis (available at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m15009-bwg-londis/>) and the Competition Authority’s determination in M/08/014 – BWG/Mangan’s.



result in a substantial lessening of competition, the Commission has analysed its impact by reference to the State.

Horizontal Overlap

21. There is a horizontal overlap between the activities of BWG and McCarricks in the State with respect to the wholesale supply of grocery goods.
22. The Commission notes that independent data on shares of sales at the wholesale level is not readily available. Information provided by the parties in the notification indicates that Musgrave Group plc is the largest player in this sector and is considered BWG's main competitor. The parties estimate that BWG's and McCarricks' shares of wholesale grocery sales in the State are approximately [20-30]% and [0-5]% respectively. The combined share following implementation of the Proposed Transaction would be approximately [20-30]%, representing an increase of approximately [...] percentage points. Therefore, from a share-of-sales perspective, the Commission considers that the Proposed Transaction is unlikely to result in an increase in BWG's market power at the wholesale level in the State.

The Potential for the Exchange of Competitively Sensitive Information

23. As described in paragraphs 11 and 12 above, McCarricks is a member of Stonehouse and GRSL. Due to McCarricks' membership in both GRSL and Stonehouse, the Commission identified the following potential effects on competition to which the Proposed Transaction could have given rise:
 - the potential that the Proposed Transaction could provide BWG, through its proposed ownership of McCarricks, with access to competitively sensitive information relating to GRSL or Stonehouse (e.g. information relating to current or future prices negotiated by GRSL or Stonehouse on behalf of their members with suppliers of grocery goods); and
 - the potential that the Proposed Transaction could provide Stonehouse or GRSL with access to competitively sensitive information relating to BWG (e.g. information relating to current or future prices negotiated by BWG on behalf of its members with suppliers of grocery goods).



24. For these reasons, the Commission identified potential effects arising from the Proposed Transaction as having the potential to restrict and/or distort competition in relation to the wholesale supply of grocery goods in the State.

Proposals Submitted by BWG

25. On 2 November 2022, BWG submitted proposals to the Commission in accordance with section 20(3) of the Act for the purpose of ameliorating any effects of the Proposed Transaction on competition in markets for goods or services in the State (the “Proposals”). The Proposals submitted by BWG included commitments by BWG not to acquire McCarricks’ shareholdings, or any other shareholding or interest, in Stonehouse and/or GRSL. The Proposals further included commitments by BWG to ensure that, following the implementation of the Proposed Transaction, that part of the McCarricks business which is involved in or related to GRSL will be managed by a separate management structure¹¹.
26. The Proposals are intended to prevent the exchange of competitively sensitive information, which would constitute a breach of section 4(1) of the Act, between BWG and GRSL or between BWG and Stonehouse. The Commission is of the view that the Proposals are appropriate and effective to address the potential competition concerns identified by the Commission in the potential market for the wholesale supply of grocery goods in the State. In accordance with section 20(3) and section 26(1) and 26(4) of the Act, the Commission has taken the Proposals into account and the Proposals form the basis or part of the basis for this determination. Consequently, the Proposals have become commitments binding upon BWG. The Proposals are set out at Appendix A of this determination.

¹¹ This separate management structure is a pre-existing structure which was established pursuant to the 4 Aces Commitments to undertake management responsibilities in respect of 4 Aces Wholesale Limited, in order to prevent the exchange of competitively sensitive information between BWG and GRSL arising out of 4 Aces Wholesale Limited’s membership of GRSL. BWG acknowledged in the recitals to the Proposals that the 4 Aces Commitments remain in force in all respects and that BWG’s obligations under the 4 Aces Commitments regarding competitively sensitive information relating to GRSL will apply in respect of the business of McCarricks following implementation of the Proposed Transaction.



27. In light of the above, and having taken the Proposals into account, the Commission considers that the Proposed Transaction will not lead to any negative horizontal competitive effects in respect of the wholesale supply of grocery goods in the State.

Vertical Relationship

28. There is no vertical relationship between BWG and McCarricks in the State. McCarricks supplies [...] *Gala/Your Stop* franchise retailers which are all independently owned and operated. Ownership, control and operation of these franchisees will not be affected in any way by the Proposed Transaction.
29. Therefore, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion of Competitive Analysis

30. In light of the above, and having taken the Proposals into account (which form the basis or part of the basis for its determination), the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

31. The parties state in the notification that Clause 13 of the SPA contains certain restrictive covenants which the parties consider to be directly related and necessary to the implementation of the Proposed Transaction.
32. The Commission notes that the restrictions referred to by the parties appear to be contained in Clauses 13.2 and 13.3 of the SPA.
33. The Commission notes that Clause 13.2 of the SPA imposes certain restrictive obligations on the Sellers, in particular non-compete and non-solicitation obligations, for a period of [...]. The duration and scope of these restrictive covenants does not exceed the maximum duration and scope acceptable to the Commission. The Commission considers the restrictive obligations contained in Clause 13.2 of the SPA



to be directly related and necessary to the implementation of the Proposed Transaction, insofar as they relate to the State.¹²

34. The Commission notes that Clause 13.3 of the SPA imposes an obligation on the Sellers not to *“at any time after the Completion Date, use in the course of business any trade or service mark, business or domain name, design or logo which on or before the Completion Date was or had been used by [the Target] in connection with [a cash and carry, wholesale or distribution business]”*. The Commission considers that Clause 13.3 of the SPA appears to form an integral part of the transfer of ownership of the Target, rather than an ancillary restraint directly related and necessary to the implementation of the Proposed Transaction. Therefore, the Commission considers that Clause 13.3 of the SPA will not benefit from the protections offered by sections 4(8) and 5(3) of the Act.

¹² In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” [2005] OJ C56/24, available at [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN).



Determination

Pursuant to section 20(3) of the Competition Act 2002, as amended (“the Act”), BWG Foods Unlimited Company (“BWG”) has submitted to the Competition and Consumer Protection Commission (“the Commission”) the proposals set out below relating to the proposed acquisition by BWG, a wholly owned subsidiary of TIL JV Limited, of the entire issued share capital of McCarrick Brothers Wholesale Longford Limited (the “Target”), for the purpose of ameliorating any effects on competition in markets for goods or services, with a view to the proposals becoming binding on BWG.

The Commission has taken the proposals into account and in light of the said proposals (which form part of the basis of its determination) has determined, in accordance with section 21(2)(a) of the Act, that the result of the proposed acquisition whereby BWG would acquire the entire issued share capital of the Target will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission

Appendix A – Proposals

MERGER NOTIFICATION M/22/047 - BWG / McCarrick Brothers Wholesale

PROPOSALS BY BWG FOODS UNLIMITED COMPANY TO THE COMPETITION AND CONSUMER PROTECTION COMMISSION RELATING TO THE PROPOSED ACQUISITION BY BWG FOODS UNLIMITED COMPANY OF MCCARRICK BROTHERS WHOLESALE LONGFORD LIMITED (“Proposals”)

RECITALS

- a) On 6 September 2022, the proposed acquisition by BWG Foods Unlimited Company (“**BWG**”), a wholly owned subsidiary of TIL JV Limited, of the entire issued share capital of McCarrick Brothers Wholesale Longford Limited (the “**Target**”), a newly incorporated company which owns the business and certain assets of McCarrick Brothers (Longford) Limited (“**McCarricks**”), was notified to the Commission under Part 3 of the Act.
- b) Pursuant to section 20(3) of the Act, BWG has submitted to the Commission these Proposals relating to the Proposed Transaction for the purpose of ameliorating any possible effect of the Proposed Transaction on competition in markets for goods or services, with a view to the Proposals becoming binding on BWG, and, following Completion, on the Target.
- c) McCarricks is a member of the Stonehouse Marketing Limited (“Stonehouse”) and Gala Retail Services Limited (“GRSL”) buying groups. The Proposals submitted by BWG to the Commission are intended to (i) prevent BWG from acquiring McCarricks’ shareholdings in Stonehouse and GRSL; and (ii) prevent the exchange of competitively sensitive information between BWG, Stonehouse and/or GRSL following Completion (arising by virtue of BWG’s ownership of the Target and by extension, the business of McCarricks), which would constitute a breach of section 4(1) of the Act.
- d) The binding commitments submitted to the Commission by BWG and which formed part of the basis of the Commission’s determination dated 2 May 2018 in respect of merger notification M/18/009 – BWG /4 Aces (the “4 Aces Commitments”) remain in force in all respects. For the avoidance of doubt, the term “GRSL Competitively Sensitive Information” as used in the 4 Aces Commitments is to be interpreted so as to include competitively sensitive information in respect of the McCarricks’ GRSL Business (as hereinafter defined).

A. Definitions

1. For the purpose of the Proposals, the following terms shall have the following meaning:

“Act” means the Competition Act 2002, as amended;

“BWG” means BWG Foods Unlimited Company, a private unlimited company incorporated under the laws of Ireland (Registration No. 20469), which has its registered address at BWG House, Greenhills Road, Tallaght, Dublin 24, and all its subsidiaries (which, following Completion, will include the Target);

“BWG Competitively Sensitive Information” means any specific disaggregated information concerning BWG where the disclosure of such information (in particular information relating to the current and future strategic intentions of BWG) would constitute a breach of section 4(1) of the Act, in particular information relating to BWG’s negotiations with manufacturers and suppliers (including any rebate schemes provided by those manufacturers and suppliers to BWG) and/or information relating to planned BWG discounts, pricing and promotional activity. For the avoidance of doubt, information that is available in any form to the public by lawful means, other than as a result of a breach of the Proposals, shall not be considered to constitute “BWG Competitively Sensitive Information”;

“BWG Personnel” means any director, officer, manager, employee, representative, agent, or person holding equivalent functions, of BWG;

“Commencement Date” means the date of the Commission’s Determination;

“Commission” means the Competition and Consumer Protection Commission and its successors;

“Completion” means completion of the Proposed Transaction as defined in the share purchase agreement dated 5 September 2022 between (1) BWG and (2) Patrick McCarrick, Sean McCarrick, Clare McCarrick, Sinead McCarrick and Orla McCarrick;

“Determination” means the Determination of the Commission pursuant to section 21(2)(a) of the Act that the Proposed Transaction may be put into effect;

“GRSL” means Gala Retail Services Limited, a private limited company incorporated under the laws of Ireland (Registration No. 288855), which has its registered address at Summit House, Embassy Office Park, Kill, Co. Kildare, W91 VK0T;

“GRSL Competitively Sensitive Information” means any specific disaggregated information concerning GRSL or any of its members where the disclosure of such information (in particular information relating to the current and future strategic intentions of GRSL or its members) would



constitute a breach of section 4(1) of the Act, in particular information relating to GRSL's or its members' negotiations with manufacturers and suppliers (including any rebate schemes provided by those manufacturers and suppliers to GRSL) and/or information relating to planned GRSL discounts, pricing and promotional activity. For the avoidance of doubt, information that is available in any form to the public by lawful means, other than as a result of a breach of the Proposals, shall not be considered to constitute "GRSL Competitively Sensitive Information";

"McCarricks" means McCarrick Brothers (Longford) Limited, a private limited company incorporated under the laws of Ireland (Registration No. 52586), which has its registered address at Athlone Road, Co. Longford;

"McCarricks' GRSL Business" means the McCarricks' business involved in or related to GRSL including in particular the McCarricks' activities in respect of existing GRSL branded *Gala* and *Your Stop* retail outlets which McCarricks currently supplies.

"Proposed Transaction" means the proposed acquisition by BWG of the entire issued share capital of the Target as notified to the Commission on 6 September 2022;

"Stonehouse" means Stonehouse Marketing Limited, a private limited company incorporated under the laws of Ireland (Registration No. 316849), which has a registered address at 16 Priory Office Park, Stillorgan, Dublin, A94 RH10;

"Target" means McCarrick Brothers Wholesale Longford Limited, a private limited company incorporated under the laws of Ireland (Registration No. 720365), which owns the business and certain assets of McCarrick Brothers (Longford) Limited and has its registered address at Athlone Road, Longford;

"Term" means the period beginning on the Commencement Date and ending on the Termination Date;

"Termination Date" means the date on which 4 Aces disposes of its shareholding in GRSL;

"4 Aces" means 4 Aces Wholesale Limited, a private limited company incorporated under the laws of Ireland (Registration 102166), which has its registered address at BWG House, Greenhills Road, Tallaght, Dublin 24, D24 Y722;

"4 Aces Commitments" means the binding commitments submitted to the Commission by BWG and which form part of the basis of the Commission's determination dated 2 May 2018 in respect of merger notification M/18/009 – BWG /4 Aces.



“4 Aces Personnel” means any director, officer, manager, employee, representative, agent, or person holding equivalent functions, of the 4 Aces business;

“4 Aces Manager” means the person appointed by BWG to undertake the day-to-day management of the 4 Aces business in accordance with the 4 Aces Commitments, and who has now been appointed to manage the McCarricks’ GRSL Business, and his successors in this role; and

“4 Aces Management Team” means the restricted group of 4 Aces Personnel (i) who directly support the 4 Aces Manager in administering that part of the 4 Aces business that requires access to GRSL Competitively Sensitive Information and (ii) who, to fulfil properly their role and functions, must have access to GRSL Competitively Sensitive Information; provided that, in all events, the 4 Aces Management Team is kept at all times to the least number of 4 Aces Personnel possible (consistent with good commercial practice).

B. Undertakings by BWG

1. BWG undertakes not to acquire McCarrick Brothers (Longford) Limited or otherwise acquire McCarrick Brothers (Longford) Limited’s shareholdings in Stonehouse and/or GRSL during the Term.
2. BWG undertakes that it shall not during the Term (whether via any holding company, subsidiary or otherwise) attempt to acquire any shareholding (or otherwise acquire an interest) in Stonehouse or GRSL, save with the prior notification to, and consent of, the Commission.

Firewall Commitment

3. On Completion, BWG undertakes that:
 - a. The McCarricks’ GRSL Business will be managed by BWG’s 4 Aces Management Team.
 - b. BWG shall ensure that the 4 Aces Manager shall, in addition to managing the 4 Aces business as required under the 4 Aces Commitments, manage the McCarricks’ GRSL Business.
 - c. BWG shall, within one month of Completion, confirm to the Commission in writing that the name and contact details of each member of the 4 Aces

Management Team, as previously provided to the CCPC on 6 September 2022 consistent with the 4 Aces Commitments, has not changed.

C. Compliance

4. BWG undertakes to inform both BWG Personnel and 4 Aces Personnel of their responsibilities pursuant to these Proposals and shall provide training to them in that regard.
5. BWG shall, within ten working days of Completion, notify the Commission in writing of the date of Completion.
6. BWG shall submit to the Commission one year from Completion, and thereafter at intervals of one year from the date of the previous certificate submitted to the Commission by BWG pursuant to the 4 Aces Commitments, a written certificate in the form set out in the Schedule hereto (a “**Compliance Certificate**”), signed by the CEO of BWG, confirming that BWG has complied with its obligations set out in these Proposals.
7. BWG shall procure that the 4 Aces Manager submit to the Commission one year from Completion, and thereafter at intervals of one year from the date of the previous certificate submitted to the Commission by the 4 Aces Manager pursuant to the 4 Aces Commitments, a written certificate in the form set out in the Schedule hereto (a “**Compliance Certificate**”), signed by the 4 Aces Manager, confirming that BWG has complied with its obligations set out in these Proposals.
8. The Commission reserves the right to require BWG to provide to the Commission, at any time and on reasonable notice, such additional information as the Commission requires which is necessary in order for the Commission to verify BWG’s compliance with its obligations set out in these Proposals. BWG shall promptly provide to the Commission all such information in its possession.
9. The Commission may provide with reasonable notice and on reasonable terms such written directions to BWG from time to time as needed to require compliance with these Proposals. BWG shall comply promptly with any written direction issued by the Commission pursuant to these Proposals.
10. BWG shall provide written notice to the Commission in advance of any change of the 4 Aces Manager or the 4 Aces Management Team and shall



promptly provide to the Commission the name and contact details of any person who is to replace the prior nominated 4 Aces Manager or a member of the 4 Aces Management Team. BWG shall take all reasonable steps to provide such written notice one month in advance of any change.

11. BWG shall nominate an executive who will have responsibility for monitoring compliance by BWG with these Proposals and for responding to any request for information received from the Commission in connection with these Proposals. BWG shall provide the name and contact details of such executive to the Commission within one month of Commencement and shall promptly inform the Commission of any change of executive nominated pursuant to this paragraph of the Proposals and shall promptly provide to the Commission the name and contact details of any executive who is to replace the prior nominated executive.
12. These Proposals will, with the exception of paragraph 3 of Part B, come into effect on the Commencement Date and will remain in force during the Term. Paragraph 3 of Part B will come into force on Completion. For the avoidance of doubt, the Proposals shall have no retrospective effect.



SCHEDULE TO THE PROPOSALS

[BWG Headed Paper]

[date]

Ibrahim Bah

Competition Enforcement and Mergers Division

Competition and Consumer Protection Commission

Bloom House

Railway Street

Dublin 1

Merger Notification: M/22/047 – BWG / McCarrick Brothers Wholesale

Dear Mr Bah,

I refer to Merger Notification M/22/047 in relation to the proposed acquisition by BWG of McCarrick Brothers Wholesale Longford Limited, a company which owns the business and certain assets of McCarrick Brothers (Longford) Limited, which was notified to the Commission on 6 September 2022 (“the Proposed Transaction”).

The Commission issued its Determination approving the Proposed Transaction on [] 2022.

In accordance with the terms of the proposals given by BWG to the Commission on [] October 2022 in relation to the Proposed Transaction which, in accordance with section 20(3), section 26(1) and section 26(4) of the Competition Act 2002, as amended, have become commitments binding upon BWG (“the Commitments”), I hereby confirm BWG’s compliance with the terms of the Commitments during the period commencing on [date of Completion of the Proposed Transaction] / [date of the previous certificate issued by BWG] / [date of the previous certificate issued by 4 Aces Manager] and ending on the date hereof.

Yours faithfully,

[Name]

[CEO BWG] [4 Aces Manager]



Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

**Competition and
Consumer Protection
Commission**