

APPENDIX 3.1
(referred to in paragraph 3.2)

Undertakings given to the Secretary of State by Cook

The following undertakings are given for and on behalf of William Cook plc ('the Company') to the Secretary of State. From the date hereof the Company will and will procure that its subsidiaries will:

1. ensure that the business of Lloyds (Burton) Limited is run as a viable business in its own right so far as circumstances permit the same and not knowingly do or permit to be done anything which might prevent that business from being divested in its own right if that is required by the Secretary of State in consequence of a report of the Monopolies and Mergers Commission ('the Commission');
2. ensure that Lloyds (Burton) Limited continues to offer goods and services of the same description, nature and standard as those offered by it before the acquisition of its shares by the Company to the extent that there is a sufficient demand for such goods and services;
3. in particular (but without prejudice to the generality of paragraph 1 and 2) ensure that:
 - (i) the assets and goodwill of the Lloyds (Burton) Limited business are maintained and preserved;
 - (ii) except in the ordinary course of its business no assets of Lloyds (Burton) Limited are disposed of, and no interest in such assets is created or disposed of; and
 - (iii) all necessary steps are taken to maintain all existing licences and permits;
4. ensure that no assets of the Armadale Steel Works owned by the Company ('Acquired Assets') are disposed of, and reasonable steps are taken to prevent deterioration of those assets; so far as such as remain at Armadale Foundry, such reasonable steps shall be taken so far as is consistent with the fact that those assets are no longer in use; in so far as assets are removed from Armadale Foundry, all reasonable steps will be taken to prevent serious damage to the Foundry or to the assets removed or to any other assets;
5. if the Secretary of State so requires, following an adverse finding by the Commission, return to the Armadale Steel Works any Acquired Assets which have been removed from it;
6. provide promptly to the Director General of Fair Trading such information as he may reasonably require to ascertain what steps have been taken to ensure that undertakings (1)-(5) are being fulfilled.

These undertakings, unless previously amended or revoked by agreement between the Company and the Secretary of State, will subsist until:

- (a) the day on which the report of the Commission on the above references is laid before Parliament, provided that the circumstances mentioned in Section 73(1) of the Fair Trading Act 1973 do not prevail in relation to the conclusions of the Commission set out in such report; or
- (b) if such circumstances do so prevail, the expiry of the period of forty days beginning with the day on which such report is laid before Parliament; or

(c) no such report having been made, the expiry of the time (including any further period) allowed to the Commission for making the report.

22 May 1990

(Signed) ANDREW COOK
(Chairman)

Signed for and on behalf of
WILLIAM COOK PLC