

Part 2

(1) all machinery, fixtures, equipment, molds, vehicles, furniture, tools and all other tangible personal property;

(2) inventory;

(3) accounts and notes receivable, and

(4) all rights, title and interest in and to owned or leased real property, together with appurtenances, licenses and permits.

Appendix I—Agreement to Hold Separate

This Agreement to Hold Separate ("Hold Separate") is by and between Reckitt & Colman plc ("Reckitt & Colman"), a corporation organized, existing, and doing business under and by virtue of the laws of England and Wales, with its office and principal place of business at One Burlington Lane, London 4W 2RW, England, which does business in the United States through its wholly-owned subsidiary Reckitt & Colman Inc., with its offices and principal place of business at 1655 Valley Road, Wayne, New Jersey 07474-0943; and the Federal Trade Commission ("the Commission"), an independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. § 41, *et seq.* (collectively the "Parties").

Premises

Whereas, on September 26, 1994 Reckitt & Colman entered into an agreement with Eastman Kodak Company ("Kodak") to acquire substantially all of the United States assets and liabilities of the household products, professional products and personal products businesses of L&F Products Inc. (such assets and businesses hereinafter referred to as "L&F"), as well as the voting securities of certain wholly-owned subsidiaries of L&F or Kodak that sell products outside the United States (hereinafter "Acquisition"); and

Whereas, on October 22, 1990, the Commission, with the consent of Reckitt & Colman, issued its complaint and made final its Order to settle charges that the acquisition by Reckitt & Colman of the Boyle-Midway Division of American Home Products Corporation violated Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45 (*In the Matter of Reckitt & Colman plc*, FTC Docket No. C-3306); and

Whereas, the Order in Docket No. C-3306 provides that for a period of ten (10) years Reckitt & Colman shall not acquire, without the prior approval of

the Commission, directly or indirectly through subsidiaries, partnerships, or otherwise, any interest in, or the whole or any part of the stock or share capital of any person or business that is engaged in the rug cleaning products business in the United States, or, except in the ordinary course of business, any assets used or previously used in (and still suitable for use in) the rug cleaning products business; and

Whereas, Reckitt & Colman products and markets, among other things, Carpet Deodorizer Products and Rug Cleaning Products, as defined in Paragraph I of the Agreement Containing Consent Order ("Consent Agreement" or "Consent Order") to which this Hold Separate is attached and made a part thereof as Appendix I; and

Whereas, L&F, with its principal office and place of business located at 225 Summit Avenue, Montvale, New Jersey 07645-1575, produces and markets, among other things, Carpet Deodorizer Products and Rug Cleaning Products, as defined in Paragraph I of the Consent Order; and

Whereas, the Commission is now investigating the Acquisition to determine whether it would violate any of the statutes enforced by the Commission and whether the Commission should approve the Acquisition pursuant to the Order in *In the Matter of Reckitt & Colman plc*, FTC Docket No. C-3306; and

Whereas, the Commission has determined to grant Reckitt & Colman the prior approval required for its acquisition of L&F conditioned, however, upon Reckitt & Colman divesting, as required under the Consent Agreement, the Carpet Deodorizer Assets and the Rug Cleaning Assets, as defined in Paragraph I of the Consent Agreement; and

Whereas, if the Commission accepts the Consent Agreement, the Commission must place it on the public record for a period of at least sixty (60) days and may subsequently withdraw such acceptance pursuant to the provisions of Section 2.34 of the Commission's Rules; and

Whereas, the Commission is concerned that if an understanding is not reached, preserving the *status quo ante* of the Carpet Deodorizer Assets and the Rug Cleaning Assets, as defined in Paragraph I of the Consent Agreement, during the period prior to the final acceptance and issuance of the order by the Commission (after the 60-day public comment period), divestiture resulting from any proceeding challenging the legality of the Acquisition might not be possible, or

might be less than an effective remedy; and

Whereas, the Commission is concerned that if the Acquisition is consummated, it will be necessary to preserve the Commission's ability to require the divestiture of the Carpet Deodorizer Assets and the Rug Cleaning Assets, as defined in Paragraph I of the Consent Agreement, and the Commission's right to have the Carpet Deodorizer Assets and the Rug Cleaning Assets continue as viable competitors; and

Whereas, the purpose of the Hold Separate and the Consent Agreement is:

1. to preserve the Carpet Deodorizer Assets, the Air Freshener Assets, and the Rug Cleaning Assets as viable, independent, ongoing enterprises, pending the divestiture of the Carpet Deodorizer Assets, the Air Freshener Assets, and Rug Cleaning Assets required under the terms of the Consent Agreement;

2. to remedy any anticompetitive effects of the Acquisition; and

3. to preserve the Carpet Deodorizer Assets, the Air Freshener Assets, and the Rug Cleaning Assets as ongoing and competitive entities engaged in the same businesses in which they are presently employed until each of the respective divestitures required under the terms of the Consent Agreement is achieved; and

Whereas, Reckitt & Colman's entering into this Hold Separate shall in no way be construed as an admission by Reckitt & Colman that the Acquisition is illegal; and

Whereas, Reckitt & Colman understands that no act or transaction contemplated by this Hold Separate shall be deemed immune or exempt from the provisions of the antitrust laws of the FTC Act by reason of anything contained in this Consent Agreement.

Now, Therefore, the Parties agree, upon the understanding that the Commission has not yet determined whether the Acquisition will be challenged, and in consideration of the Commission's conditional approval of the Acquisition and its agreement that, at the time it accepts the Consent Agreement for public comment it will grant early termination of the Hart-Scott-Rodino waiting period, and unless the Commission determines to reject the Consent Agreement, it will not seek further relief from Reckitt & Colman with respect to the Acquisition, except that the Commission may exercise any and all rights to enforce this Hold Separate and the Consent Agreement to which it is annexed and made a part thereof, and the Order in Docket No. C-3306, and in the event the required divestiture of the Carpet Deodorizer