

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 12 October 2016

Completed acquisition by Euro Car Parts Limited of assets of the Andrew Page business

We refer to your emails of 26 and 31 October 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 12 October 2016 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Euro Car Parts Limited, LKQ Euro Limited and LKQ Corporation and ECP Newco are required to hold separate the LKQ business from the AP business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Euro Car Parts Limited, LKQ Euro Limited and LKQ Corporation and ECP Newco may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 4(a), 5(a), 5(c), 5(h), 5(i), 5 (j) and 5(l) of the Initial Order

In order to preserve the viability of the AP business, the CMA consents to allow individuals within LKQ business's legal, tax, internal audit, acquisitions, treasury, insurance, real estate, payroll, fleet, accounting, human resources and logistics functions to provide such support to the AP business subject to the safeguard listed below. In addition, such LKQ personnel shall be entitled to seek advice from external professional advisers (namely, lawyers, accountants, auditors) who shall be under a duty of confidentiality in respect of any information provided by their client, LKQ and shall not use information provided by the AP business except to assist LKQ in providing such support as permitted by this derogation.

2. Paragraphs 5(c) and 5(l) of the Initial Order

- (a)** In order to ensure LKQ Corporation's regulatory and reporting obligations are met and to allow the LKQ business to audit the performance of the AP

business certain directors and officers of the LKQ business as agreed with the CMA and specified in Annex 1 shall be permitted to receive reports containing the following categories of information:

- *Compliance reporting information* that is legally required to be reported under U.S. SEC rules in accordance with the timing stipulated in the relevant SEC rule;
- *Summary financial statements* aggregated for the AP business as a whole, fortnightly;
- *Credit control information* on aged debtors, significantly overdue accounts, and debt and cash positions and forecasts, monthly;
- *Employee data* that is required to be reported to the U.S. tax authorities or under compliance requirements, monthly; and
- *Areas of AP management concern* which constitute serious events or developments which could impact on the viability of the Andrew Page business, provided that the CMA is informed of the nature of any information shared in the category of 'areas of AP management concern' no later than when it is shared with the relevant individuals at the LKQ business.

- (b) Furthermore, in order to preserve the viability of the AP business, [X] shall be permitted to receive certain daily reports on the AP business as a whole in the format provided and approved in advance by the CMA, provided that such reports do not contain any information about specific AP business branches, regions, customers, suppliers or contracts.

The derogations under this paragraph are granted subject to the safeguard below, and, for the avoidance of doubt, all individuals receiving the information described under this paragraph shall have no right to direct or dictate the management or the strategy of the AP business, including but not limited to sales prices and approach regarding customers, and as set out more fully in paragraphs 4 and 5 of the Initial Order.

3. Paragraphs 5(g), 5(h) and 5(l) of the Initial Order

In order to preserve the viability of the AP business, the LKQ business shall be permitted to supply the AP business with stock on an ad hoc basis, as necessary and determined independently by the AP business for the purposes of satisfying AP customer requests. This is subject to the conditions that:

- The LKQ business supplies all stock on arms-length commercial terms;

- The LKQ business does not unreasonably refuse to supply the AP business with any stock; and
- The CMA is informed all occasions where the LKQ business refuses to supply the AP business with: (a) slow moving stock; or (b) stock of a value above a minimum specified by the CMA, and the CMA is provided with the reasons for refusal.

Safeguard

Non-disclosure agreements (NDAs)

The AP business's information shared under paragraphs 1 and 2 of this derogation letter will only be provided to LKQ business employees/directors/officers once they have signed NDAs, in a form approved in advance by the CMA, to preserve the confidentiality of the information and to use the information only for the purposes specified by the derogation granting them access to the AP business's information. The CMA should be provided with a list of all individuals who have signed NDAs.

Annex 1

Persons authorised to receive information under paragraph 2(a):

- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];
- [REDACTED];

- [✂].

Persons authorised to receive information under paragraph 2(b):

- [✂].