

## **COMPLETED ACQUISITION BY EURO CAR PARTS LIMITED OF ASSETS OF THE ANDREW PAGE BUSINESS**

### **Directions issued pursuant to paragraph 10 of the Initial Enforcement Order issued by the Competition and Markets Authority on 12 October 2016.**

ECP Newco Limited, now Andrew Page 1917 Limited (**ECP Newco**), completed on 4 October 2016 the acquisition of certain assets of Andrew Page Limited, Solid Auto (U.K.) Limited and Colton Parts Company Limited (the **Acquisition**).

On 12 October 2016, the Competition and Markets Authority (**CMA**) served an Initial Enforcement Order (the **Order**) under section 72(2) of the Enterprise Act 2002 (the **Act**) on Euro Car Parts Limited, LKQ Euro Limited and LKQ Corporation (together **LKQ**) and on ECP Newco for the purpose of preventing pre-emptive actions pending the final determination of any reference under section 22 of the Act which might prejudice that reference, or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference.

On 10 May 2017 the CMA made a reference to its chair in relation to the Acquisition for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in accordance with section 22 of the Act.

The CMA now issues written directions under paragraph 10 of the Order (the **Directions**) that, for the purpose of securing compliance with the Order,

- LKQ must appoint a monitoring trustee (**MT**) in accordance with the terms provided for in the Annex;
- LKQ and ECP Newco must comply with the obligations set out in the Annex.

Christiane Kent  
*Project Director*

22 June 2017

## Directions to appoint a monitoring trustee

### Interpretation

1. In these Directions:

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

**'AP Business'** means the assets of Andrew Page Limited, Solid Auto (U.K.) Limited and Colton Parts Company Limited purchased by ECP Newco on 4 October 2016;

**'AP Properties'** means the 101 depots, the national distribution centre and the head office properties from which ECP Newco operates (as listed in Appendix 1 of these Directions);

**'Business Plan'** means the business plan formulated by the Secondees, and approved by the CMA, in accordance to the [derogation](#) to the Order granted by the CMA on 13 December 2016.

**'CMA'** means the Competition and Markets Authority;

**'Derogations'** means the derogation to the Order granted by the CMA, as set out in Appendix 2 to these Directions, together with any subsequent derogations to the Order which may be granted by the CMA;

**'ECP Newco'** means Andrew Page 1917 Limited (previously ECP Newco Limited);

**'LKQ'** means Euro Car Parts Limited, LKQ Euro Limited and LKQ Corporation;

**'MT'** means the monitoring trustee appointed in accordance with paragraphs 2 and 8 below.

**'Order'** means the [Initial Enforcement Order](#) made by the CMA, dated 12 October 2016, in relation to the completed acquisition by ECP Newco of the AP Business, as amended by the Derogations; terms and expressions defined in the Order have the same meaning in these Directions, unless the context requires otherwise; and

**'Secondees'** has the meaning given to it in the [derogation](#) to the Order granted by the CMA on 13 December 2016.

## Appointment

2. LKQ must appoint an MT in order to monitor compliance by LKQ and ECP Newco with the Order.
3. LKQ and ECP Newco must cooperate fully with the MT, in particular as set out below, and LKQ must ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of LKQ and ECP Newco as set out in these Directions.

## General

4. The MT must act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
5. The MT must possess appropriate qualifications and experience to carry out his or her functions.
6. The MT must neither have nor become exposed to a conflict of interest that impairs the MT's objectivity and independence in discharging his or her duties under these Directions, unless it can be resolved in a manner and within a time frame acceptable to the CMA.
7. LKQ shall remunerate and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out his or her functions.
8. LKQ must appoint the MT as soon as is reasonably practicable and in any event by **5pm on Thursday 22 June 2017**.
9. The MT will continue to act until the CMA has finally determined the reference (within the meaning of section 79 of the Act).
10. The appointment of an MT by LKQ must be subject to the approval of the CMA as to the identity of the MT and his or her terms and conditions of appointment in their entirety.
11. LKQ must inform the CMA as soon as is reasonably practicable, and in any event by two working days before the date set out in paragraph 8, of the identity of the MT that LKQ proposes to appoint and provide the CMA with draft terms and conditions of appointment. If LKQ fails to so inform the CMA, the CMA will notify LKQ of the identity of the MT that LKQ must appoint.

12. Once the MT has been approved by the CMA and appointed, LKQ must provide the CMA with a copy of the agreed terms and conditions of appointment.

## **Functions of the MT**

13. The functions of the MT will be to:
  - (a) ascertain the current level of compliance by LKQ and ECP Newco with the Order, including the communications within and between LKQ and ECP Newco, such as written and electronic communications, telephone conversations and meetings;
  - (b) assess the adequacy of arrangements made by LKQ and ECP Newco for compliance with the Order,
  - (c) in particular assess whether the Secondees perform their functions independently from LKQ, and operate the AP Business according to the Business Plan;
  - (d) assess what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action;
  - (e) attend meetings (either in person or via conference telephone call as appropriate) and telephone calls between, LKQ and ECP Newco in order to assess the degree of coordination of decision making and the independence of ECP Newco management, in particular of the Secondees;
  - (f) determine whether there have been any changes to the commercial practices of ECP Newco since completion of the Acquisition and to monitor any future changes;
  - (g) determine whether steps to ensure that ECP Newco maintains suitable contractual rights to occupy the AP Properties (or suitable alternative properties) are being taken in compliance with the Order; and
  - (h) without prejudice to the right of LKQ and ECP Newco to contact the CMA, respond to any questions which LKQ or ECP Newco may have in relation to compliance with the Order, in consultation with the CMA.
14. The MT must take such steps as he or she reasonably considers necessary in order to carry out his or her functions effectively.

15. The MT must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by LKQ and ECP Newco with the Order.

### **Obligations of LKQ and ECP Newco**

16. LKQ, ECP Newco, as well as their employees, officers, directors, advisers and consultants, must cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his or her functions, including but not limited to:
  - (a) the provision of full and complete access to all personnel, books, records, documents, facilities and information of LKQ and ECP Newco as the MT may reasonably require;
  - (b) the provision of all compliance statements to be submitted by LKQ and ECP Newco pursuant to paragraph 7 of the Order;
  - (c) the provision of such office and supporting facilities as the MT may reasonably require;
  - (d) notify the MT of any changes to the commercial arrangements between LKQ and ECP Newco; and
  - (e) copy the MT into all correspondence between LKQ and ECP Newco, including the agenda for any proposed meeting, within two working days of the proposed meeting.
17. If LKQ or ECP Newco are in any doubt as to whether any action or communication would infringe the Order, they are required to contact the MT for clarification.
18. If LKQ or ECP Newco have any reason to suspect that the Order may have been breached, they must notify the MT and the CMA immediately.

### **Reporting functions of the MT**

19. The MT is required to give a presentation on the key initial findings to the CMA no later than two weeks following the date of his or her appointment containing (followed by a written report upon request by the CMA, if necessary):
  - (a) details of the current extent of compliance with the Order;

- (b) a position on the adequacy of existing arrangements put in place by LKQ and ECP Newco to ensure compliance with the Order, including the arrangements made in relation to the Secondedees and the non-disclosure agreements entered into by the LKQ employees in receipt of commercially sensitive information relating to ECP Newco, as permitted by the Derogations, to assess whether these have been complied with and are sufficient for the purpose of satisfying the objectives of the Order;
  - (c) the MT's view on whether he or she has any concerns about the exchange of commercially sensitive information, financial or otherwise, between the parties, including information relating to the commercial activities and trading transactions of ECP Newco's customers;
  - (d) The MT's view on whether he or she has any concerns in relation to the ability or incentives of the Secondedees to perform their functions independently from LKQ in relation to ECP Newco's decisions affecting the AP properties and ensuring that a breach of the Order does not arise; and
  - (e) any recommendations in respect of any changes to the Order which the MT considers necessary, including the appointment of a hold separate manager with executive powers, and the scope of its mandate, for instance in relation to decisions affecting the AP Properties.
20. In addition to giving a presentation on the key initial findings to the CMA (and a subsequent written report upon request by the CMA, if necessary) referred to in paragraph 18 above, the MT must provide a statement once per month thereafter (or otherwise as required by the CMA) to the CMA stating whether or not, in his or her view, LKQ and ECP Newco have complied with the Order. At the same time, the MT must provide the CMA with a report setting out the following:
- (a) the basis for the MT's view that the Order has or has not, as the case may be, been complied with;
  - (b) a comment on the financial and operational performance of ECP Newco, including current trading levels against the Business Plan, and any factors that might indicate deterioration of assets or of performance;
  - (c) what steps are being taken in relation to ECP Newco contractual rights in relation any AP Property it occupies or is considering occupying, and what impact these steps might have on maintaining ECP Newco's activities as going concerns; and

- (d) necessary information required to assist the Group to consider any future derogation requests effectively.
21. Where necessary the MT may also be required as part of this assessment to consider and report on:
- (a) the extent to which LKQ and ECP Newco have cooperated with the MT in his or her task of monitoring its compliance with the Order, and details of any aspects of the cooperation of LKQ and ECP Newco that he or she considers could be improved;
  - (b) the extent to which the MT considers that he or she is in an appropriate position to monitor the compliance with the Order and if there is anything that the MT considers would assist him or her in monitoring compliance;
  - (c) any current or anticipated requests for consent to grant any further derogation from the Order;
  - (d) any information which causes him or her to be concerned that the possibility of the CMA taking any remedial action, if required, is or may be put at risk, with an explanation of any such concern; and
  - (e) the information he or she used to compile the report.
22. The MT shall verify the fortnightly compliance statements submitted by LKQ and ECP Newco, pursuant to paragraph 7 of the Order, and in the case that the verification identifies a discrepancy which is non-trivial, shall notify the CMA immediately.
23. When reporting to the CMA the MT must ensure that he or she does not disclose any information or documents to the CMA which LKQ or ECP Newco would be entitled to withhold from the CMA on the grounds of legal privilege.
24. The MT must immediately notify the CMA in writing if he or she forms a reasonable suspicion that the Order has been breached, or if he or she considers that he or she is no longer in a position to effectively carry out his or her functions. In that situation, the MT must give reasons for this view; including any supporting evidence available (unless doing so would infringe the obligations referred to in paragraph 22 above).
25. All communications between the MT and the CMA (including the statements and communications referred to in paragraphs 18 to 23 above) are confidential and may not be disclosed to third parties. Such communications may only be disclosed to LKQ or ECP Newco with the prior written consent of the CMA.

## The AP Properties

Depot #	Depot name	Address	Post code
00013	Markham Vale (DC)	Plot 2, South Markham Vale	S44 5HS
00089	Aldershot	Unit 25 Blackwater Way, Aldershot	GU12 4DL
00086	Andover	Unit 6 Anton Business Park, Andover	SP10 2NJ
00014	Beverley	Unit B Mill Lane, Beverley	HU17 9DH
00050	Aston	Unit 6 Maple Business Park, Walter Street, Birmingham	B7 5ET
00041	Boston	Units E3 and E7 Boston Trade Park, Boston	PE21 9HG
00083	Bournemouth	Unit 4 Dominion Centre, Bournemouth	BH11 8JR
00004	Bradford	Units 5 and 6 Hall Lane Bradford	BD4 7DG
00010	Bramley	Unit 1 Kingsmark Court, Bramley, Leeds	LS13 4PN
00064	Bristol	Unit 1 and 2 Wadehurst Industrial Estate	BS2 0JE
00006	Bury	Unit 7 Bridge Trading Estate	BL8 2AQ
00056	Bury St Edmunds	Unit 4 Lark Valley Business Park	IP32 6NU
00051	Cambridge	Unit 2 Kilmaine Close	CB4 2PH
00120	Cardiff	Unit 1A Trident Trade Park	CF24 5EN
00105	Carlisle	50 Kingstown, Broadway	CA3 0HA
00020	Castleford	Unit 2 Methley Road	WF10 1NS
00103	Chesterfield	2 Stand Park, Sheffield Rd	S41 8JT
00079	ChioHester	Unit 7 Woodruff Business Centre	PO19 8PH
00114	Colchester	Units C and D Axis One	CO4 4QX
00046	Coventry	Unit 3C, Swallowgate Business Park	CV6 4BL
00082	Crawley	Unit 18 Gatwick Industrial Estate, Crawley	RH10 9RX
00078	Croydon	Unit B 115- 117 Canterbury Road	CR0 3HH
00077	CV Poyle	Unit 13, Trident Industrial Estate, Blackthorne Road, Coinbrooke, Slough, SL3 0AX	SL3 0AX
00019	Darlington	Cleveland Industrial Estate	DL1 2PJ
00043	Derby	Unit 7-8 Centurion Way	DE21 4AY
00029	Doncaster	Doncaster, Unit 13,14 15 Guildhall	DN3 1QR
00027	Durham	Unit 3 Abbey Road	DH1 5HA
00084	Eastleigh	Unit 38 Parham Drive	SO50 4NU
00063	Ellesmere Port	Unit 5 and 6 Water Business Park	CH65 4FF
00087	Fareham	B1 Premier Business Centre	PO14 1TY
00094	Farnborough	Unit 2 Hawley Lane Trading Estate	GU14 8EH
00110	Felixstowe	77 St Andrews Road	IP11 7BW
00095	Gatwick	Gatwick Airport, Building 312, Larkins Road, West Sussex	RH6 0ND
00065	Gloucester	Unit 2.5, Building 2, Barnwood Point	GL4 3HX
00111	Great Yarmouth	Unit 2 and 3 Riseborough Court	NR31 0NT
00036	Grimsby	E1 and E2, Grimsby West Business Park	DN31 2SG
00091	Guildford	A&H Perram Works	GU4 7BN
00122	Halesowen	Plot D5, Coombswood Way, Halesowen	B62 8BH
00023	Halifax	Units 2-3 New Bond Street	HX1 5HA
00003	Harrogate	Unit 1 Cardale Park	HG3 1RZ
00040	Heeley	3 Oak St, Sheffield	S8 9UB
00080	Hove	Old Shoreham Road	BN3 3TW
00011	Huddersfield	Units 2,3 and 4 Canal Mills	HD1 6BT
00018	Hull	Units 6,7 and 8 Ropery Park	HU3 2BU
00113	Ipswich	Unit 7 Boss Hall Road	IP1 5BN
00116	Isle of Wight	5B Riverway Industrial Estate	PO30 5UX
00015	Keighley	Unit 2E Acre Park	BD21 4JH
00057	Kettering	Unit 3 Torridge Close	NN16 8PY
00048	Kings Lyn	Unit 38 East Coast Business Park	PE34 3LW
00058	Kings Norton	Unit 3 Consort Road, Birmingham	B30 3HD
00001	Leeds	54A Dolly Lane	LS9 7NN
00047	Leicester	Unit 16-17 Ealing Road	LE2 7SZ
00039	Lincoln	11-12 Sunningdale Trading Estate	LN6 7UB
00090	Liphook	Unit 1B, Beaver Industrial Estate	GU30 7EU
00108	Louth	Units 1-2, Milford Court	LN11 0YB
00104	Lytham	Unit 1, Scafell Road	FY8 3HE
00024	Malton	Unit 3, Seph Way	YO17 6YF
00032	Manchester	Unit 9, Hagley Road, Salford, M5 3EY	M5 3EY
00038	Mansfield	Unit 3C Isabella Court	NG19 7JZ
00069	Midsomer Norton	Units 7 & 8, Midsomer Industrial Estate	BA3 2BB
00060	Milton Keynes	Units 13-15 Goulds Close	MK1 1EQ
00012	Morley	Leeds Units 15- 17 Ashley Industrial Estate, Morley	LS27 0EL
00037	Newburn	Newcastle, Unit B1 Newburn Riverside Industrial Park	NE15 8NZ
00008	Newcastle	Unit 15 Brough Park	NE6 2YF



00059	Northampton	7B Queens Park Industrial Estate	NN2 2NE
00053	Norwich	Unit 50 Hellemeden Hall	NR6 5DP
00042	Nottingham	Unit 7 Easter Park	NG7 2PX
00052	Oldbury	Units 3 & 4 Percy Business Park	B69 2RD
00035	Oldham	Unit 1 Peel Street	OL9 9LH
00066	Oxford	Unit 10 Chancery Gate Business Centre	OX4 6HE
00044	Peterborough	Unit 3, Viking Trade Park	PE1 5GE
00025	Preston	Lancaster Road North	PR1 2PZ
00017	Rawdon	Unit 1, Gateway Drive, Yeadon, Leeds	LS19 7XY
00093	Reading	Unit F, Whiteknights Retail Centre	RG2 8HA
00034	Scarborough	Unit 1 Barrys Lane	YO12 4HA
00109	Scunthorpe	11 Glebe Road	DN15 6AF
00016	Selby	Unit 7 Selby Business Park	YO8 8LZ
00117	Shrewsbury	Ainsdale Drive	SY1 3TN
00107	South Manchester	Units D2 and D3, Stockport Trading Estate, Stockport	SK4 2JW
00097	Southampton	16-17 Chancery Gate Business Centre	SO15 0AE
00118	Stafford	Unit 1A Romford Road	ST16 3DZ
00076	Staines	7-9 Kingston Road	TW18 4LH
00007	Stockport	Unit 9-11, Hillgate Business Centre	SK1 3AU
00062	Stoke-On-Trent	Unit 1B Festival Trade Park	ST1 5NP
00030	Sunderland	Unit 15B & 15C Southwick Industrial Estate	SR5 3TX
00070	Swindon	Unit 8 Lynton Road	SN2 2QJ
00098	Teesside	Stockton on Tees, Unit 1 Opus Park	TS18 3SD
00009	Thirsk	Units 4, 5 and 6, Severfield	YO7 3TA
00002	Wakefield	St Christopher House, Grantley Way	WF1 4PY
00119	Walsall	Longacre Street	WS2 8HP
00026	Warrington	9 Eagle Park Drive	WA2 8JA
00031	Wigan	Richard Street	WN3 4JN
00112	Wisbech	8 Weasenham Lane Industrial Estate	PE13 2RY
00061	Wolverhampton	Unit 6 Merryhills	WV10 9TJ
00121	Woodfield Green	Unit 1C Woodford Trading Estate Woodford green, Essex	IG8 8HF
00055	Worcester	Unit 402 Great Western Business Park	WR4 9PT
00081	Worthing	Unit 402 Great Western Business Park	BN14 8ND
00071	Yeovil	Units 4 and 5 Seatons Trade Park	BA20 2AQ
00005	York	Unit 6 Raylor Centre	YO10 3DW
00028	Sheffield	7,8 and 9 Shepcote Enterprise Park, Sheffield	S9 1XT
	Apson House	Colton Mill, Bullerthorpe Lane	LS15 9JN
	Apson House	Colton Mill, Bullerthorpe Lane	LS15 9JN
	Chippenham	Unit G Brunel Park Bumpers Farm Industrial Estate	SN14 6NQ
	Portsmouth	Units D16-D17 Discovery Voyager Park	PO3 5FN

## The Derogations

1. [Derogation 20 April 2017](#) (published 10.5.17)
2. [Derogation 16 March 2017](#) (published 21.3.17)
3. [Derogation 16 February 2017](#) (published 28.2.17)
4. [Derogation 13 December 2016](#) (published 21.12.16)
5. [Derogation 8 November 2016](#) (published 16.11.16)
6. [Derogation 17 October 2016](#) (published 26.10.16)
7. [Derogation 20 October 2016](#) (published 26.10.16)