

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

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

We refer to your emails requesting that the CMA consents to derogations to the Initial Enforcement Order of 12 October 2016 (the 'Initial Order').<sup>1</sup> 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 the particular circumstances of this case, the CMA consents that Euro Car Parts Limited, LKQ Euro Limited and LKQ Corporation and ECP Newco may carry out the following actions, in derogation to the provisions set out in the paragraphs listed below:

#### **1. Paragraphs 5(c), 5(i) and 5(k)**

In order to preserve the viability of the AP business, the CMA gives its consent, subject to the below safeguards, for the following changes in staff at the AP [X] depot and the AP [X] depot to be made:

- [X], the current Branch Manager at the AP [X] depot, to be promoted to Branch Manager at the AP [X] depot; and
- [X], the current Sales Manager at the AP [X] depot, to be promoted to Branch Manager at the AP [X] depot.

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<sup>1</sup> Euro Car Parts / Andrew Page Merger Inquiry: Initial Enforcement Order of 12 October 2016.

## **Safeguards**

### *Interim Sales Manager at the AP [X] depot*

[X], following [X] promotion to Branch Manager at the AP [X] depot, will also act as Interim Sales Manager at the AP [X] depot until such time a suitable permanent Sales Manager is found. This will be confirmed in writing in [X] job description.

### *Monitoring of the recruitment process*

The Monitoring Trustee will oversee the recruitment process for a new replacement Sales Manager for the AP [X] Divestment Depot to ensure that any delays are minimised. To facilitate this, ECP will provide the Monitoring Trustee with supporting evidence on the steps being taken to find a suitable replacement quickly.

## **2. Paragraphs 5(e) and 5(h)**

The CMA gives its consent for ECP to provide notice to the administrators of AP of its intent to vacate the premises at, and relinquish the licence to occupy, the AP [X] depot. This consent is granted on the basis that the AP [X] depot is not a depot which is required by ECP to be divested under the CMA's final report,<sup>2</sup> and because the CMA considers that relinquishing this licence to occupy would not prejudice the effective implementation of the remedies identified in the CMA's final report.

## **3. Paragraphs 5(i) and 5(l)**

By means of Derogation dated 15 November 2017,<sup>3</sup> the CMA gave its consent for the members of the ECP Enhanced Clean Team to be given access to all commercially sensitive information relating to each of the AP overlap depots,<sup>4</sup> and to be tasked with preparing the data room for the divestment, the Confidential Information Memorandum to send to purchasers, management presentations for the purchasers and other necessary information to be shared with the purchasers.

In addition, in the same Derogation, the CMA gave its consent for the members of the ECP Clean Team to be given access to confidential information produced by the ECP Enhanced Clean Team.

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<sup>2</sup> CMA's final report, 'A report on the completed acquisition by Euro Car Parts of the assets of the Andrew Page business' (published 31 October 2017).

<sup>3</sup> Derogation 15 November 2017.

<sup>4</sup> That is AP depots operating in the local areas where the CMA has identified a substantial lessening of competition.

With respect to the Derogation dated 15 November 2017 (which can be amended from time to time by CMA written consent) in order to prepare for, and conduct, a divestment of the AP overlap depots, the CMA hereby gives its consent for the following changes to the composition of ECP Enhanced Clean Team and ECP Clean Team:

- [X], LKQ Corporation, [X], will be removed from the ECP Clean Team and added to the ECP Enhanced Clean Team;
- [X], LKQ Corporation, [X], will be added to the ECP Clean team;
- [X], LKQ Corporation, [X], will be added to the ECP Clean Team; and
- [X], Rhiag Inter Auto Parts Italia S.p.A., LKQ Corporation, [X], will be added to the ECP Clean Team.

The CMA gives its consent to the above on the basis that a non-disclosure agreement agreed to by the Monitoring Trustee and the CMA will be signed by each individual of the ECP Clean Team and ECP Enhanced Clean Team in relation to information obtained under the present Derogation and/or the Derogation dated 15 November 2017.

#### **4. Paragraph 5(I)**

By means of Derogation dated 13 December 2016,<sup>5</sup> the CMA gave its consent to allow the LKQ business to appoint the Secondees to manage the AP business and to formulate and implement a new business plan. The CMA also consented to allow Secondees to provide [X], LKQ Corporation, [X], with limited and proprietary information relating to AP business in a form of report, approved in advance by the CMA.

In order to preserve the viability of the AP business, the CMA hereby gives its consent for [X], LKQ Corporation, [X], to be replaced by [X], Rhiag Inter Auto Parts Italia S.p.A., LKQ Corporation, [X], in [X] function of a recipient of the Secondees' reports on the AP business.

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<sup>5</sup> Derogation 13 December 2016.