

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

### **Consent to certain actions for the purposes of the Final Undertakings accepted by the Competition and Markets Authority (CMA) on 12 January 2018**

We refer to your email dated 16 April 2018 requesting that the CMA consents to derogations to paragraph 5.6(b)(ii) of the Final Undertakings.<sup>1</sup> The terms defined in the Final Undertakings and the Final Report<sup>2</sup> have the same meaning in this letter.

Pursuant to paragraph 5.6(b)(ii) of the Final Undertakings, ECP has undertaken that the arrangements for the supply of car parts and/or garage equipment to each AP Divestment Depot in place at the time of the Final Undertakings (including but not limited to (i) the role of the national distribution centre at Markham Vale and of the Supporting Depots in supplying the AP Divestment Depots; (ii) the prices charged to the AP Divestment Depots, subject to the pass-through of purchase cost incurred; (iii) the timeliness and frequency of deliveries to each AP Divestment Depot; and (iv) the range of products delivered to each AP Divestment Depot), shall not be materially amended, except with the prior written consent from the CMA (which shall not be unreasonably withheld).

In the Final Report, the CMA concluded that the Parties should be permitted to integrate the AP depots in the non-SLC areas, provided that the CMA is satisfied that such integration would not have any adverse effect on:

- (a) the viability or saleability of the AP Divestment Depots
- (b) the effectiveness of the hold separate measures in relation to the AP Divestment Depots

After consultation with the CMA and in accordance with the Derogation dated 1 December 2017,<sup>3</sup> ECP has commenced the integration process, which includes transition of physical stock and stocking function relating to the AP Divestment

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<sup>1</sup> Final Undertakings given by Euro Car Parts to the Competition and Markets Authority pursuant to Section 82 of the Enterprise Act 2002.

<sup>2</sup> Euro Car Parts and Andrew Page: A report on the completed acquisition by Euro Car Parts of the assets of the Andrew Page business.

<sup>3</sup> Derogation 1 December 2017.

Depots from AP's national distribution centre at Markham Vale to ECP's national distribution centre Tamworth 2. ECP has now requested that the CMA consents to the moving of the physical stock and the transition of the stocking function in so far as it concerns the AP Divestment Depots. ECP has confirmed that this would not result in any distinction in the timelines of delivery times for an ECP depot and AP Divestment Depot in the same local market. ECP has also confirmed that an ECP depot and AP Divestment Depot in the same local market, will receive the same service levels and support, and enjoy equal parity in product availability and service.

After due consideration of ECP's request for derogations from the Final Undertakings, based on the information received from ECP and the Monitoring Trustee, and in light of the principles laid down in the Guidance on the CMA's jurisdiction and procedure in mergers,<sup>4</sup> notably the principle of proportionality, the CMA consents that ECP may carry out the following actions, in derogation to the paragraph 5.6(b)(ii) of the Final Undertakings:

### **Move of the physical stock and transition of the stocking function from Markham Vale to Tamworth 2**

In order to preserve the viability of the AP business and in light of the principles laid down in the Guidance on the CMA's jurisdiction and procedure in mergers, notably the principle of proportionality, the CMA gives its consent, subject to the below safeguard, for ECP to:

- move the physical stock that is used to supply the AP Divestment Depots from AP's national distribution centre in Markham Vale to ECP's national distribution centre Tamworth 2
- transition the stocking function, including the receipt and fulfilment of orders made by the AP Divestment Depots, from AP's national distribution centre in Markham Vale to ECP's national distribution centre Tamworth 2

### **Safeguard**

#### *Oversight of the Monitoring Trustee*

The Monitoring Trustee will have oversight of the moving of the physical stock and transition of the stocking function for the AP Divestment Depots. The Monitoring Trustee will monitor ongoing supply in terms of its quality, timeliness and price in order to ensure that there are no disruptions to the supply to the AP Divestment Depots and, in particular, that the transition will not affect the AP Divestment Depots'

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<sup>4</sup> [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), January 2014. Annexe C, para C.19.

cost of goods or the range of parts the AP Divestment Depots currently receive from the national distribution centre in Markham Vale.