



DEROGATION CONSENT LETTER

CASE ME/7039/23

ACQUISITION BY LKQ CORPORATION OF UNI-SELECT INC.

IN RESPECT OF THE INITIAL ENFORCEMENT ORDERS ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002

Consent under section 72(3C) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 31 July 2023

Dear Linklaters LLP

We refer to your submission dated 31 July 2023 requesting that the CMA consents to derogations to the Initial Enforcement Order of 31 July 2023 (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, LKQ Corporation (**LKQ**) and its subsidiaries including Euro Car Parts Limited (the **LKQ Business**) are required to hold separate the LKQ Business from 121222 Holdco Limited and its direct and indirect subsidiaries (the **GSF Business**) and refrain from taking any action which might prejudice a reference under section 22 or 33 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, the LKQ Business and the GSF Business may carry out the following actions, in respect of the specific paragraphs:

- 1. Paragraphs 6(c) and 6(i) of the Initial Order – to permit the resignations of [X] and [X] and their replacement by [X] and [X] on 1 August 2023**

Uni-Select Inc (**Uni-Select**) submits that the resignations of [X] (a GSF Business [X]) and [X] (the GSF Business [X]) are to take place on completion of the Transaction pursuant to the terms of the Arrangement Agreement between LKQ

and Uni-Select dated 26 February 2023 as well as termination agreements that each of [X] and [X] entered into with LKQ on 26 February 2023. Uni-Select submits that their replacement by [X] and [X] respectively is required to allow the GSF Business to continue its business-as-usual activities following the resultant vacancies.

Uni-Select submits that both [X] and [X] have limited involvement in the day-to-day management of the GSF Business; neither are employed by GSF, nor do they receive compensation for acting, respectively, as a director or officer of GSF.

Uni-Select submits that given [X] and [X] are currently Uni-Select executives ([X] is the [X] and [X] the [X] of Uni-Select), the above changes will further assist with GSF being held separate, and operated independently, from LKQ and Uni-Select post-completion of the Transaction.

Additionally, Uni-Select submits that [X] (currently GSF [X]) and [X] (currently GSF [X]) are suitable candidates to replace [X] as a [X] and [X] as [X] of the GSF Business, respectively. Both are senior members of the existing management team of the GSF Business, and both are highly qualified with significant experience within the GSF Business.

The CMA consents to a derogation from paragraphs 6(c) and 6(i) of the Initial Order to permit the following staffing changes:

- (a) The resignation of [X] as a GSF Business [X] and his replacement by [X];
and
- (b) The resignation of [X] as a GSF Business [X] and his replacement by [X].

The CMA consents to the above strictly on the understanding that:

- (a) [X] and [X] have the necessary experience and expertise to assume the role of [X] and [X] respectively of the GSF Business.
- (b) This derogation will not affect the viability of the GSF business.
- (c) This derogation will not result in any integration between the GSF business and the LKQ business.
- (d) This derogation will not prevent any remedial action which the CMA may need to take regarding the Transaction.

Alex White

Assistant Director, Mergers

1 August 2023