



## DEROGATION CONSENT LETTER

CASE ME/7039/23

ACQUISITION BY LKQ CORPORATION OF UNI-SELECT INC.

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

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

Dear Slaughter and May

We refer to your submission dated 2 August 2023 requesting that the CMA consents to derogations to the Initial Enforcement Order of 31 July 2023 (the **Initial Order**). Unless otherwise stated, 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 and its subsidiaries (including Euro Car Parts Limited) (**LKQ Business**) is required to hold separate the LKQ Business from the business of 121222 Holdco Limited and its direct and indirect subsidiaries in the UK (including GSF Car Parts) (**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 CMA consents to LKQ Business and the GSF Business carrying out the following actions, in respect of the specific paragraphs:

### 1. Paragraphs 5(a), 6(a) and (l) of the Initial Order

LKQ submits that it requires consent from the CMA to permit:

- (a) the exchange, access and use, of information about the GSF Business (**GSF Business Information**) by a limited group of LKQ representatives (the **Sales Process Clean Team**) and their external advisers for the purposes of the sale of the GSF Business (the **Proposed Divestment**), including for the purposes of organising and running the sales process, preparing necessary documentation, and negotiating with the potential acquirers necessary to implement the sale of the GSF Business (the **Permitted Purpose**); and
- (b) limited interactions between the Sales Process Clean Team, External Advisors and GSF management strictly for the Permitted Purpose and in compliance with the terms of this Derogation.

LKQ envisages that the Sales Process Clean Team's responsibilities would include all actions relevant to achieving the sale of GSF, including:

- (a) developing, with the assistance of external advisors, the package of financial information necessary for the potential purchasers to determine the purchase price of the GSF Business;
- (b) reviewing a virtual data room containing all documents relating to the GSF Business that are relevant for the potential purchasers;
- (c) instructing legal and financial advisors (and other necessary specialist advisors) to prepare due diligence reports and other documents related to the Proposed Divestment;
- (d) preparing, with the assistance of external advisors, the documents necessary for the conduct of the sale process relating to the GSF Business including draft contractual documentation; and
- (e) implementing and running the sale process, including negotiating with the potential purchasers and finalising relevant contractual documentation.

LKQ submits that the Sales Process Clean Team will consist of the individuals (**Authorised Individuals**) listed in **Annex I**. LKQ submits that this is a small group strictly limited to those individuals whose input is essential for the successful execution of the Proposed Divestment. LKQ submits that the Sales Process Clean Team members are not in client-facing roles, and are not involved in commercial decision-making.

The Sales Process Clean Team are assisted by the following external advisors: [X] (**External Advisors**). The External Advisors will assist and support the Sales Process Clean Team in all matters required to execute the Proposed Divestment.

LKQ submits that it is necessary for the Sales Process Clean Team and External Advisors to receive GSF Business Information in order to execute the Proposed Divestment.

LKQ submits that GSF Business information would be provided to the Sales Process Clean Team and External Advisors via email stored on a secure IT system or via a secure virtual data room.

LKQ also envisages that the sales process will require limited interactions (including via emails and calls) between the Sales Process Clean Team, External Advisors and members of GSF management. All such interactions will be strictly for purposes of executing the Proposed Divestment.

The CMA consents to a derogation from paragraphs 5(a), 6(a) and 6(l) to permit the Sales Process Clean Team and External Advisors to:

- (a) exchange, access and use GSF Business Information for the Permitted Purpose; and
- (b) engage in limited interactions with GSF management for the Permitted Purpose.

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

- (a) the GSF Business Information will only be provided to the Authorised Individuals in the Sales Process Clean Team and to the External Advisors, and will be limited to what is strictly necessary for the Permitted Purpose;
- (b) any interactions between the Authorised Individuals in the Sales Process Clean Team, External Advisors and GSF management will be solely for the Permitted Purpose;

- (c) the Authorised Individuals do not have, and will not, for the duration of the Initial Order, have any commercial or strategic responsibility for the LKQ (or ECP) Business;
- (d) the Authorised Individuals shall enter into non-disclosure agreements in a form submitted to the CMA;
- (e) all GSF Business Information received by the Sales Process Clean Team will be securely stored (e.g. in a virtual data room run by a third-party provider) and LKQ or Uni-Select employees outside the Sales Process Clean Team will not have access to the GSF Business Information;
- (f) no additions or changes to the Sales Process Clean Team shall be made under this derogation without the prior written consent of the CMA (which can be provided via email);
- (g) LKQ or its External Advisors will keep a record of the GSF Business Information shared by the GSF Business in accordance with this derogation which will be made available to the CMA at its request;
- (h) should the Transaction be prohibited, or on completion of the Proposed Divestment, any records or copies (electronic or otherwise) of business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature, wherever they may be held, that were received by the LKQ Business for the purposes of this derogation will be returned to the GSF Business and any copies destroyed, except to the extent that record retention is required by law or regulation;
- (i) The derogation will not result in any disruption to or affect the viability of the GSF business; and
- (j) this derogation will not result in any pre-emptive action which might prejudice the outcome of a reference or impede the taking of any action which may be justified by the CMA's decisions on a reference.

Alex White

**Assistant Director, Mergers**

3 August 2023

**ANNEX I**

**THE AUTHORISED INDIVIDUALS**

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