II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 22 December 1987

relating to a proceeding under Article 85 of the EEC Treaty

(IV/31.914 — ARG/Unipart

(Only the English text is authentic)

(88/84/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 17 of 6 February 1962, first Regulation implementing Articles 85 and 86 of the Treaty (1), as last amended by the Act of Accession of Spain and Portugal, and in particular Articles 6 and 8 thereof,

Having regard to the notification submitted on 7 July 1986 by Austin Rover Group Limited of Coventry, United Kingdom and Unipart Group Limited of Oxford, United Kingdom, with regard to an agreement relating to the sales of parts for Austin Rover vehicles,

Having regard to the summary of the notification published (2) pursuant to Article 19 (3) of Regulation No 17,

After consulting the Advisory Committee on Restrictive Practices and Dominant Positions,

Whereas :

I. THE FACTS

(1) This proceeding concerns an agreement between a vehicle manufacturer and an independent wholesaler by which the latter undertakes to promote in the place of the manufacturer sales of spare parts and accessories, and to concentrate its sales efforts, so far as sales to the vehicle manufacturer's authorized dealers are concerned, on the products the parties have agreed upon. The agreement flows from the recent separation of ownership of the two parties concerned.

The parties

(2) Austin Rover Group Limited ('ARG'), a manufacturer of passenger cars and car-derived vans, is an indirectly wholly owned subsidiary of Rover Group (formerly BL) public limited company, a company in which the United Kingdom Government owns nearly all the shares.

(3) Unipart Group Limited ('Unipart') was formerly also a subsidiary of Rover Group, but a majority of its shares were recently sold to private investors, Rover Group now holding 21,7 %. Unipart has for several years supplied replacement parts and accessories for motor vehicles made by companies in the Rover group and also for those of other manufacturers.

The Agreement

(4) The notified Agreement, described as 'for the Allocation of Responsibility for the Sales of Parts for Austin Rover Vehicles and for the Provision of Related Services' and hereinafter called 'The Agreement', was concluded on 28 February 1986. The parties agree between themselves on the composition of the ARG spare parts range and, within that context, on the manner in which Unipart shall

(1) OJ No 13, 21. 2. 1962, p. 204/62.
(2) OJ No C 319, 12. 12. 1986, p. 3.

obtain parts from ARG and from third parties. Unipart continues to be responsible for operating ARG's parts business in so far as it relates to supplying parts to the aftermarket (that is, the market on which parts are sold, separately from vehicles, for attachment on or in existing vehicles by dealers, repairers or vehicle owners) for fitting to ARG vehicles. Unipart will carry out all the functions which that service entails, i.e. quality control, purchasing, warehousing, marketing, selling, order processing, distribution and accounting. Unipart is obliged to achieve competitive levels of efficiency, and this is measured by periodic tests against objective criteria laid down in the Agreement. Its remuneration varies according to the performance it achieves. Unipart will make available the goods which are the subject of the agreement to all re-sellers authorized by ARG in the common market, as well as to those in third countries.

(5) For the purpose of the Agreement and especially of allocating responsibilities between ARG and Unipart, the parts are divided into three categories :

(a) Unipart Branded Parts consist of fast-selling, highly competitive parts such as sparking plugs and shock-absorbers, which fit ARG vehicles and also others ;

(b) Dual Branded Parts are those parts in the Unipart range that fit ARG vehicles. They bear the marks of both companies and exactly meet ARG's orginal equipment specifications. For a single application (e.g. the rear brake-linings for a specific ARG model) there may exist, first, not more than one Dual Branded Part, and secondly, one or more Unipart Branded Parts which, while having the same function as a Dual Branded Part, must be to some different specification ;

(c) Austin Rover Branded Parts consist of all other parts made by ARG or by part suppliers to ARG's specification which bear only the Austin Rover mark.

(Reference to part bearing a mark includes a part whose packaging, destined for sale with the part, bears that mark.)

The parties have established detailed lists of the products falling into each category. Individual products may, in general, be changed from one category to another only by agreement between the parties.

(6) The Agreement provides *inter alia* that :

(a) for the period of the Agreement, ARG will not obtain the services provided by Unipart from any other party, and will supply or authorize the supply of parts to the aftermarket only through Unipart ;

(b) So far as such parts exist, ARG will recommend only parts bearing its trade mark, and parts bearing both the Unipart and Austin Rover trade marks, for fitting to ARG vehicles ;

(c) Subject to meeting Unipart's qualitative standards, ARG existing authorized dealers will be given the first opportunity of becoming Unipart authorized dealers ;

(d) The whole range of parts required for ARG vehicles has to be made available by and through Unipart.

(7) Responsibilities, risks and revenues are divided according to the three categories.

(a) Unipart Branded Parts are approved, procured, stocked and sold entirely by Unipart on its own account ;

(b) Dual Branded Parts receive engineering approval from ARG or from Unipart under authority delegated by ARG. Unipart pays ARG a commission on sales, but these are otherwise for Unipart's account. For a limited number of Dual Branded Parts, ARG has the right to determine the non-binding retail prices that Unipart shall recommend to ARG's and Unipart's authorized dealers ;

(c) For Austin Rover Branded Parts, Unipart assumes no entrepreneurial commercial risks, but acts somewhat as if it were ARG's agent and receives a handling commission on sales. ARG gives engineering approvals, decides Unipart's resale prices and the non-binding retail prices to be recommended to ARG's authorized dealers, and takes the profit or loss on the sales effected by Unipart.

(8) Austin Rover Branded Parts may only be supplied to re-sellers within the ARG network. Dual Branded Parts may be supplied to Unipart franchised sites provided that, at those sites, there are no authorized dealerships of a competing vehicle manufacturer ; or to other customers with ARG's consent. Unipart Branded Parts may be supplied to any category of customers.

(9) Unipart shall not expand any of the product ranges to which Austin Rover Parts or Dual Branded Parts belong by adding to them any new categories of products, or introduce any new product ranges which include ARG Fit Parts (whether to the original equipment specification or otherwise) without the prior written agreement of ARG, such agreement not to be unreasonably withheld.

(10) Nothing in the Agreement prevents ARG or Unipart from introducing parts bearing the marks of third parties into their respective areas of primary responsibility (i.e. 'Austin Rover Branded Parts', in the case of ARG, and 'Dual Branded' or 'Unipart Branded Parts' in the case of Unipart) or the marketing of such parts in the same manner as Austin Rover Branded, Dual Branded or Unipart Branded Parts, as the case may be.

(11) The initial term of the Agreement is specified to be five years from the date of any offer for sale to the public of shares in Unipart, or seven years from the date of signature of the Agreement, whichever is shorter.

The parties expect to renew the contract after the initial term provided they are satisfied with its operation during that period. For the purpose of this proceeding, the relationship embodied in the Agreement is considered as fundamentally a long-term one, albeit subject to revision in detail at the expiry of the initial term.

(12) By further agreement finally concluded between the parties on 21 November 1986, ARG grants to Unipart a non-exclusive, royalty-free licence to use certain ARG trade marks on goods, other than complete motor vehicles, which meet ARG's specification and standards. This licence agreement is indissolubly linked to the Agreement, to which it is a necessary corollary.

The relevant markets

(13) To the extent that ARG does not make the components which it needs when assembling new cars, it buys them from suppliers or asks them to make the parts on its account. It likewise procures for itself certain spare parts and accessories. Supply agreements are normally long-term agreements.

(14) ARG and its importers — some of them affiliated companies — are each responsible for the promotion in a specified territory of sales of ARG products and of services related to them. Each organizes an exclusive and selective dealer distribution system.

The tasks of selling ARG cars, spare parts and accessories and of performing specialized services of all kinds that customers may need, are performed in the United Kingdom, where ARG has a considerable market share, by distributor dealers and retail dealers; distributor dealers are wholesalers that also act as retailers. In the other Member States, most dealers are supplied directly by the importer. The distribution and servicing agreements oblige all authorized re-sellers to use their best endeavours to sell the spare parts and accessories which ARG or its importer offers. Whilst Unipart formerly carried out the function of supplying parts and accessories to ARG re-sellers as a result of a division of responsibilities within the integrated Rover Group, it now does so under contract on an 'arm's-length' commercial basis.

(15) Unipart buys parts and accessories from ARG or (chiefly) from other suppliers. Its general business of wholesaling may be considered as falling into three classes:

(a) In relation to ARG's authorized re-sellers, Unipart assumes the functions normally carried out by a vehicle manufacturer in relation to supplies of parts — the stocking, listing and supplying on a regular basis of all the parts needed for the sale, maintenance and repair of current and recent models of the marques concerned;

(b) In relation to Jaguar's authorized re-sellers, Unipart carries out a more limited range of similar services under contract with Jaguar Cars Holdings Limited and Jaguar Cars Limited of Coventry, United Kingdom; that agreement has also been notified to the Commission (Case IV/31.272) but it is not the subject of this proceeding. The agreement between Unipart and Jaguar does not contain provisions analogous to those for Dual Branded Parts; very few 'all-makes' parts are in fact suitable for fitting to Jaguar cars, and consequently there is little potential competition between Unipart's own product range and the parts that it distributes under contract with Jaguar;

(c) In relation to other customers — *viz.* independent wholesalers or retailers, dealers of other marques, or the general public through its own shops — Unipart is a supplier of a broad range of so-called 'all-makes' parts and accessories, consisting generally of the faster-selling parts and often, though not always, of parts capable of being fitted to several different models of one or more marques.

(16) ARG and Unipart are in general exposed to direct or indirect competition from a large number of parts and components manufacturers, traders and even other vehicle manufacturers who offer ranges of 'all-makes' parts. In the abovementioned sectors of Unipart Branded, Dual Branded and Austin Rover Branded Parts (see above points 5 (a) to (c) and 7 (a) to (c)) the conditions of competition may be characterized as follows:

— dealers, repairers and end-users can obtain parts which are identical with or substitutable, for Unipart Branded Parts from many suppliers throughout the Community,

— most of the Dual Branded Parts are also subject to effective competition from several suppliers. Some of the Austin Rover Branded Parts are available only from ARG or from suppliers and sub-contractors which are licensed by ARG. Only to the extent that Unipart offers, with the consent of ARG, 'captive parts' is the determination of its sales conditions not influenced by effective competition. Captive parts are those which need to be identical with the corresponding components used when the new vehicle is assembled and for which no substitute products are created and offered: generally, parts for which demand is insufficient to induce independent part manufacturers to make them; occasionally, parts protected by patent or other rights.

(17) Unipart has agreements with wholesalers and retailers and also a number of retail shops of its own. The agreements between Unipart and its authorized dealers include exclusivity of supply of Unipart goods within an allotted territory, but no protection of that territory and no exclusivity of purchasing. Unipart authorized dealers, and indeed Unipart's own retail shops, are free to purchase non-Unipart products.

(18) An essential part of the legal and economic context in which the Agreement operates is the fact that ARG operates, with its importers and authorized re-sellers, a Community-wide exclusive and selective distribution system of the kind considered in Commission Regulation (EEC) No 123/85 of 12 December 1984 on the application of Article 85 (3) of the Treaty to certain categories of motor vehicle distribution and servicing agreements [1].

That distribution system is not the subject of a request from any of the parties concerned for an exemption under Article 85 (3) of the Treaty by individual decision in respect of restrictive clauses which go beyond those already exempted under Regulation (EEC) No 123/85. In the light of Article 3 (4) of that Regulation, it can be assumed that spare parts which compete with those that are the subject of the Agreement in the present case between ARG and Unipart, and match their quality, have access to the ARG distribution system.

(19) In 1986, ARG's shares of the market for passenger cars were as follows:

— United Kingdom: 15,6 %,

— EUR-12: 3,8 %.

In the United Kingdom, ARG has about 440 distributor dealers and 600 retail dealers. ARG's turnover in 1986 amounted to £1 313 million and the Rover Group's turnover was £ 3 412 million.

(20) For the parts aftermarket, on which Unipart operates, there are no authoritative published statistics. Consequently, Unipart's market shares can only be estimated, and that only very approximately. They appear to be substantial in the United Kingdom, but considerably less so in the other Member States. Unipart's total turnover in 1986 was about £ 184 million.

(21) In response to its notice pursuant to Article 19 (3) of Regulation No 17, the Commission received observations from an association of undertakings in the parts-supply sector and from an undertaking which operates retail shops and workshops, principally supplying and fitting 'all-makes' parts for end-users. These observations can be summarized as follows.

(22) The association of undertakings expressed the fear that the provisions for the allocation of trade marks (points 5 and 7 above) might encourage the exploitation of such marks in a manner prejudicial to competition, in that actual and potential competitors for the supply of the parts in question might be disadvantaged in offering them to ARG dealers or to other dealers, repairers or users.

(23) The undertaking pointed out that, while it may now be true that there is widespread competition in the supply of the parts in question (point 16 above), so far as the United Kingdom is concerned, this may cease to be the case in the event of legislation proposed in the Department of Trade and Industry's White Paper of April 1986, which would confer a monopoly on the designers of parts for motor vehicles.

II. LEGAL APPRECIATION

(24) The Agreement between ARG and Unipart is caught by the general prohibition laid down in Article 85 (1) of the EEC Treaty. However, the conditions under which that provision may be declared inapplicable pursuant to Article 85 (3) are fulfilled.

[1] OJ No L 15, 18. 1. 1985, p. 16.

A. **Article 85 (1)**

(25) The applicability of Article 85 (1) is not excluded merely because Unipart was formerly a fellow-subsidiary, with ARG, of Rover Group plc and the Agreement is connected with the privatization of Unipart. It is true that the transfer of effective ownership of Unipart to private investors is not the subject of an agreement caught by Article 85 (1). However, the obligations upon ARG and Unipart to coordinate their purchasing, quality standards and controls, stockholding, ordering and invoicing, marketing and distribution across a wide range of parts activities (see points 4 to 9 above) determine the competitive stance of the now mutually-independent undertakings over the long-term (see point 11 above) and are not a necessary and inherent part or condition of any such transfer of ownership.

(26) However, Article 85 (1) is inapplicable in so far as the Agreement provides that Unipart shall promote the sales of Austin Rover Branded Parts for account of ARG and in consideration of a commission from ARG (point 7 (c) above). In this respect, Unipart acts in the role of an agent bearing no entrepreneurial risk (cf. Commission Notice on exclusive dealing contracts with commercial agents [1].

(27) Otherwise, however, the parties have coordinated their purchasing and sales policies for parts that fit ARG vehicles in such a manner that, as regards the activities assigned to each party, each bears its own entrepreneurial risk (see point 7 (b) above). In this respect, it is irrelevant that Unipart has to make payments to ARG in consideration of ARG's investments which facilitate Unipart's distribution of parts, particularly the establishment of a dealer network for the sale and servicing of ARG vehicles.

(28) A number of provisions of the Agreement have as their object and effect a restriction of competition within the common market, and are apt to affect trade between Member States (Articles 85 (1)).

(29) Because Unipart is prevented from entering the field of Dual Branded Parts otherwise than in concert with ARG, Unipart is restricted in its business in a manner that other parts wholesalers that do not belong to a vehicle-manufacturer's single-marque distribution network ('independent wholesalers') are not. Consequently, Unipart is not freely available to act as a wholesaler for parts-makers in so far as they would like to sell through ARG's selected re-sellers (cf. points 7 (b) and 9 above).

(30) The obligation upon Unipart to supply to the ARG distribution network, and to give preference to, the full range of parts required for ARG vehicles represents a restriction of Unipart's freedom to determine its range of products which fit ARG vehicles in a manner other than that laid down in the Agreement (cf. point 6 (d) above),

(31) Furthermore, Unipart is prevented from selecting independently the channels of distribution for Dual Branded Parts. It can only distribute such parts through its own authorized dealers (and through certain other defined categories of customer), and not even through them to the extent that the Unipart authorized dealers are also authorized dealers of a vehicle manufacturer other than ARG (see point 8 above). It must offer distribution agreements to ARG's selected vehicle wholesale dealers to the extent that the latter satisfy Unipart's qualitative standards (point 6 (c) above). Unipart may not, without consulting ARG, make alterations within its distribution system that might affect ARG's interests regarding the distribution of Austin Rover and Dual Branded Parts (point 6 (c) above). These restrictions apply to all the ARG-fit parts which belong to the category of Dual Branded Parts and that generally bear both marks. Independent wholesalers that do not belong to either the ARG or the Unipart distribution network cannot obtain those parts directly from Unipart.

(32) The obligation upon Unipart to transmit to authorized dealers ARG's non-binding recommendation of retail prices of certain Dual Branded Parts (point 7 (b) above) influences the purchasing and sales policies of ARG's dealers and the consumers, and thereby restricts Unipart's freedom to establish its own commercial and pricing structures.

(33) The obligation upon ARG not itself or through others besides Unipart to offer parts to the aftermarket (point 6 (a) above) and to recommend, as spare parts and accessories for ARG vehicles, only Austin Rover Branded and Dual Branded Parts (point 6 (b) above) limits ARG's scope for competition. ARG dealers that may wish, by buying direct from ARG, to share in the advantages flowing from ARG's mass purchases of original equipment parts and of identical parts destined for the aftermarket, may be disadvantaged. The exclusion from direct trade with ARG of wholesalers that are in competition with Unipart may affect the competitive situation of these 'independents', especially in the field of parts which cannot be substituted by others ('captive parts').

[1] OJ No 139, 24. 12. 1962, p. 2921/62.

(34) The Agreement is apt to affect trade between Member States because its provisions appreciably limit the potential sales of numerous parts-makers in all Member States and of their re-sellers. It also determines the structure and conditions of supply of parts to ARG's authorized dealers throughout the Community.

B. Article 85 (3)

(35) The Agreement is not already exempted from the prohibition contained in Article 85 (1) by virtue of a Commission block-exemption regulation. Neither Regulation (EEC) No 1983/83 [1] on exclusive distribution agreements nor Regulation (EEC) No 1984/83 [2] on exclusive purchasing agreements nor Regulation (EEC) No 123/85 on motor vehicle distribution agreements is applicable. The parties have agreed between themselves restrictions not only on distribution, but also on the constitution of the ARG spare parts range, and a thoroughgoing coordination of purchases of such parts from third parties. Regulation (EEC) No 123/85 is in any event inapplicable, because it only covers agreements for the combined distribution of new motor vehicles and parts therefor.

(36) However, the conditions for the application of Article 85 (3) are fulfilled in the present case. The vertical assignment of responsibilities agreed between the parties in regard to purchasing, stocking and distribution of parts improves the distribution of goods while allowing the consumer a fair share in the resulting benefit, without (a) imposing on the parties restrictions that are not indispensable for the realization of that object, or (b) affording the possibility of excluding competition for a substantial part of the goods concerned.

(37) The Agreement makes it possible to realize the benefits of rationalization. The division of responsibilities between the parties results from ARG's decision not to carry on certain activities itself and from Unipart's decision to effect within the ARG dealer network the best possible provision for those parts that are needed for the maintenance, repair and equipment of ARG vehicles, which require ARG and Unipart to agree between themselves as regards the important area of Dual Branded Parts. In particular, the specialization of the parties' fields of activity allows each to concentrate on the responsibilities assigned to it, without danger to its interests. It ensure that a full range of parts that repairers and consumers need for ARG vehicles can be asked for and supplied within a single distribution network, (cf. points 29 and 30 above). Because of the partial merger of the ARG and Unipart distribution networks, the purchases of the parts that the two parties have selected can be aggregated, to be passed on both to ARG's selected dealers and to Unipart's other outlets. This partial merger of networks also facilitates stockholding with a view to high availability and rapid delivery of parts. Following the separation of Unipart from the Rover group ARG would, if it were not to cooperate with a suitable wholesale undertaking, find itself without any capacity for purchasing, stockholding and distribution of spare parts.

(38) Because Unipart need fear no competition from ARG (see point 33 above) and purchases of Dual Branded Parts are coordinated between the two parties, Unipart can concentrate its activities entirely on meeting the offers of its competitors — the other vehicle manufacturers, independent parts wholesalers, 'all-makes' suppliers and various distribution channels for the parts-makers.

(39) The restrictions agreed are indispensable in order to improve the distribution of goods as intended. To remain competitive with other vehicle manufacturers, ARG must make provision for the supply of a full range of parts within its distribution and servicing network. Without Unipart's concentration on the Austin Rover Branded Parts selected by ARG and on the Dual Branded Parts that both parties select jointly, which are the means by which ARG fulfils its obligations towards its authorized dealers, these latter would themselves be unable to carry out their obligations under their distribution and servicing agreements with ARG. However, the ARG dealers have assumed such obligations in accordance with the provisions of Regulation (EEC) No 123/85 (cf. Article 3 (4) and (5) of that Regulation).

Moreover, it is only in respect of parts that fit ARG vehicles that Unipart has given up its freedom of purchase and sale and the unrestricted use of its own marks; others, however, can be sold as Unipart Branded Parts. Outside the ARG distribution system, Unipart is free to distribute parts that compete with Austin Rover Branded or Dual Branded Parts without using those marks, i.e. under its own or or its suppliers's marks.

[1] OJ No L 173, 30. 6. 1983, p. 1.
[2] OJ No L 173, 30. 6. 1983, p. 5.

(40) The Agreement will not have the effect of excluding competition for a substantial part of the goods in question. In this field there is strong competition from numerous suppliers (see points 16 to 20 above). In the light of the large number of available wholesalers, manufacturers' representatives and other channels of distribution, the absence of Unipart as a channel of distribution for parts-makers wishing to sell to the ARG dealer network can be accepted.

(41) It can be expected that consumers will benefit from the benefits realized, because the intensive competitive pressure that exists will ensure that some of those benefits are passed on. Advantages accrue directly to consumers (repairers, users and owners of ARG vehicles) from the increased availability of a complete range of parts for those vehicles. The intensive cooperation between ARG and Unipart ensures the availability on the aftermarket of parts that meet the specifications and safety standards that ARG, the vehicle manufacturer, has set for original components of its vehicles.

(42) The foregoing appreciation is not affected by the operation of the agreement between Unipart and Jaguar (see point 15 (b) above). Unipart's product range hardly overlaps with that of Jaguar, and the arrangements between them do not involve the coordination of the approval and purchase of parts that arises in the (ARG) Agreement. Unipart's relationship to Jaguar more resembles that of a specialist supplier of the services of warehousing, distribution, accounting, etc. Consequently, there need be no fear of a conflict which might hinder Unipart in realizing the objects of the (ARG) Agreement.

(43) The observations made to the Commission in response to the publication of the essential content of the Agreement pursuant to Article 19 (3) of Regulation No 17 by interested third parties do not alter the foregoing appreciation of the notified Agreement.

(44) As to the allocation of marks (point 22 above), the parties to the Agreement have not bound themselves to use only their own product marks. The cooperation between ARG and Unipart in the categories of Austin Rover Branded and Dual Branded Parts does not prevent undertakings that manufacture such parts and supply them to one of the parties to the Agreement from arranging that their own marks shall be placed on those parts, alone or alongside the Austin Rover or Dual Brand marks. Whether they succeed in doing so depends on the result of negotiations with the purchasing party. There is no reason to suppose that because of the cooperation between the parties the resistance to the use of a supplier's mark will be stronger than in the case where the supplier has only the vehicle manufacturer to deal with. The notified Agreement does not improve the negotiating position of the parties to it.

(45) The Commission is well aware that some vehicle manufacturers have a policy of not allowing the marks of any parts-suppliers to appear in addition to their own. This is a phenomenon that the Commission cannot assess in relation to competition law within the present proceeding; but the Commission reserves the right to examine it separately.

(46) In the Commission's opinion, there is no special connection between the restrictive effects of the notified Agreement and any new legislation in the United Kingdom by which industrial property rights would be granted in respect of the shape of parts (cf. point 23 above): the question whether the exercice of such property rights need to be constrained by the application of the EEC Treaty competition rules, especially Article 86, falls to be considered not in the present proceeding but in any case in which manufacturers make use of such rights.

C. Conditions of the exemption

(47) Pursuant to Article 6 (1) of Regulation No 17, the exemption can take effect from 7 July 1986. Pursuant to Article 8 (1), it can extend to the initial period of cooperation provided for by the parties, namely, until 28 February 1993.

(48) In view of the shortness of that period, it is not necessary in the present case to impose on the parties an obligation, by way of conditions attached to the exemption, to submit before 28 February 1993 reports on the operation of the Agreement. If a continuation of the cooperation and a further notification come to be considered, the parties will in any event be obliged to show that the conditions of applicability of Article 85 (3) are still fulfilled,

HAS ADOPTED THIS DECISION:

Article 1

1. Pursuant to Article 85 (3) of the EEC Treaty, the provisions of Article 85 (1) are hereby declared inapplicable to the Agreement dated 28 February 1986 between Austin Rover Group Limited and Unipart Group Limited.

2. The exemption pursuant to paragraph 1 shall have effect from 7 July 1986 to 28 February 1993.

Article 2

This Decision is addressed to the following undertakings :

1. Austin Rover Group Limited,
Fletchamstead Highway,
Canley,
UK - Coventry CV4 9BD ;

2. Unipart Group Limited,
Garsington Road,
Cowley,
UK - Oxford OX4 2PG.

Done at Brussels, 22 December 1987.

For the Commission

Peter SUTHERLAND

Member of the Commission