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IN THE COMPETITION

Case No: 1435/5/7/22 (T)

APPEAL
TRIBUNAL

Salisbury Square House
8 Salisbury Square
London EC4Y 8AP

Tuesday 1st October – Tuesday 29th October 2024

Before:

Justin Turner KC
Sir Iain McMillan CBE FRSE DL
Professor Anthony Neuberger

(Sitting as a Tribunal in England and Wales)

BETWEEN:

Claimants

Stellantis Auto SAS & Others

V

Defendants

Autoliv AB & Others

A P P E A R A N C E S

Colin West KC & Sean Butler (Instructed by Hausfeld) On Behalf of the Claimants.

Sarah Ford KC & Prof. David Bailey (Instructed by Macfarlanes) On Behalf of the Sixth to Tenth Defendants.

David Scannell KC & Derek Spitz (Instructed by White & Case) On Behalf of the First to Fifth Defendants.

Wednesday, 9 October 2024

(10.30 am)

THE CHAIRMAN: Just before we get on to the witnesses, Mr Scannell, you were going to let us know what your position was in response to Professor Neuberger's question.

MR SCANNELL: Yes, I was, Mr Chairman. I was waiting for you to give your customary warning.

THE CHAIRMAN: Yes, good point, thank you. Somebody else has just reminded me.

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Sorry, Mr Scannell. Thank you for that reminder.

Thank you.

MR SCANNELL: I am sure if I had not, somebody else would.

Housekeeping

Professor Neuberger, your question. First, thank you very much for your patience in relation to this, I know you have been itching for the answer.

So as I understand it, the question relates to the identification of the assumptions underlying

1 the Defendants' pass-on case. So, do we assume, for
2 pass-on purposes, that the Claimants were the only
3 victims of an overcharge or do we assume industry-wide
4 effects?

5 Now, as I see it, there are actually two aspects to
6 that. The first is what we assume about the overcharge
7 based on the case that the Claimants put, and then
8 the second aspect to it is how we accommodate those
9 assumptions and what Dr Majumdar has done in relation to
10 them.

11 So as to the first of those points, taking
12 the Claimants' case at its highest, so for the purposes
13 of what I am about to say, we are of course not
14 accepting that any of this is made out, but we are
15 giving the benefit of the doubt throughout. So on
16 the Claimants' primary case, that is that not only
17 the Claimants, but automotive OEMs, including PSA,
18 FCA and VO, or any of them, as well as the named OEMs
19 were affected by the global cartel. That is the way it
20 is put in the 4APOC at paragraph 39. The premise of
21 that case, taken at its highest, is that the overcharge
22 was not firm-specific, it was not simply confined to
23 the Claimants. To put that into the language of
24 counterfactuals, the counterfactual is that other OEMs'
25 prices would have been lower, and they may even be

1 suggesting -- but this has never been entirely clear --
2 that all OEMs' prices were lower.

3 Then the Claimants' first alternative case is that
4 there were separate and distinct cartels which targeted
5 each one of the claimant companies. It is not entirely
6 clear either, but that pleading appears to us to be not
7 so much a claim that there were separate cartels
8 affecting the Claimants and no other cartels, it is just
9 another way of putting their global cartel case, so they
10 are saying, well, if it was not one umbrella, it was
11 individual cartels, apparently, for everybody, but it is
12 really not clear on the pleaded case against us. If
13 that were right, then they would be saying, again, that
14 there were multiple victims of an overcharge going far
15 beyond the Claimants.

16 But even if that is wrong, the first alternative
17 case, as we understand it, does at least allege that on
18 the counterfactual each of the Claimants' prices would
19 have been lower and each one of the named OEMs would
20 have been lower as well, the named OEMs in
21 the Commission decision, because there is already
22 a decision in relation to them.

23 Then that takes me to the spillover case, Professor.
24 Now, that is obviously more controversial and not just
25 because it is even less clear than the primary in

1 the first alternative case, but as I am sure you will
2 have well in mind, there are multiple assumptions that
3 are baked into the spillover case which are hotly
4 disputed by the Defendants in the case. So we do not
5 accept that that case is a plausible one, and in
6 particular we do not accept that the various causal
7 links that have to be established have been even
8 addressed by the Claimants.

9 That said, we do recognise that on the spillover
10 case, taken at its absolute highest, the counterfactual
11 the Claimants contend for must be that all OEMs suffered
12 the same overcharge. It is difficult to conceive of how
13 that construct of theirs works without that consequence.
14 So, accordingly, as we understand it, the Claimants'
15 spillover case appears to contemplate an industry-wide
16 effect, and therefore a world in which pass-on is more
17 likely, considering the -- you know, having
18 the Commission guidelines in mind.

19 Now, as to how the Defendants have accommodated
20 those assumptions and how we put our case and what
21 Dr Majumdar has done about it, and beginning with us,
22 the Defendants, the primary case is of course no
23 overcharge; the secondary case is that, if there was an
24 overcharge, it is actually unlikely to be an
25 industry-wide overcharge, it is much more likely to be

1 a firm-specific overcharge because of everything that we
2 say about bespoke-ness and so on. So that is our -- that
3 is the Claimants' case at its highest and our primary
4 and secondary positions in relation to it.

5 But of course we appreciate that there are multiple
6 permutations of liability that any Tribunal can reach,
7 but particularly in this case where the Claimants' case
8 is put so many different ways with different
9 consequences depending on the liability findings.

10 The pass-on analysis you will have seen, as pleaded,
11 does not deal with all of those different permutations.
12 The pleaded case goes no further than to aver that, if,
13 which we deny, there was an overcharge, then
14 the overcharge would have been passed on by
15 the Claimants, whichever way they put it, without
16 committing one way or another to whether it was
17 industry-wide or firm-specific. Just for your note so
18 that you can peruse the way that is put, the paragraph
19 of our Re-Re-Amended Defence -- Autoliv's Re-Re-Amended
20 Defence is paragraph 67, that is at {A/4/57}, and
21 the reference to ZF's pleading is their Re-Re-Amended
22 Defence at paragraph 55(c), and their RFI response dated
23 1 June 2022, and that is at {A/5/36-37} for the pleading
24 and {A/9/1} for the RFI.

25 Now, as to Dr Majumdar and what he has done -- and

1 no doubt you will be speaking to the experts about this
2 next week -- the headline point in relation to what he
3 has done is that he begins with the expectation, which
4 he says is firmly grounded in economic theory, and we
5 would say, also, on the fact that we satisfy
6 the causation requirement in *Trucks*, that a degree of
7 pass-on will arise because OSS costs are variable costs,
8 and then, to conduct an econometric analysis, an
9 empirical assessment based on the application of
10 a regression analysis, to determine the likely magnitude
11 of that pass-on, that is all explained at
12 section 1.3.2.2 of his report, beginning on page 15
13 {E1/6/15}, and in section 3 of his report as well
14 {E1/6/60}.

15 Now, he is relying for those purposes on FCA's data
16 and it is common ground that that is the best dataset to
17 use, and FCA's variable costs will of course include
18 a mix of both firm-specific and industry-wide costs and
19 so his estimates will capture a mix of those
20 firm-specific and industry-wide variable costs.

21 His regression analysis, though, does not assume
22 that the effect is either firm-specific or
23 industry-wide. He does, in his first report, take
24 account of economic theory relating to industry-wide
25 effects and firm-specific effects. The relevant

1 paragraphs there are 290 to 291 of his first report
2 {E1/6/69-70}, and he broaches this also in the joint
3 expert statement with Mr Hughes at row 66 {E1/13/41}.
4 But, ultimately, what Dr Majumdar says, is that those
5 considerations do not really matter a great deal because
6 it is common ground that the OEMs did not operate in
7 a perfectly competitive environment and Dr Majumdar
8 considers that it is likely that any firm-specific cost
9 changes would have been passed on to some degree.

10 Now, the final point I would make in relation to all
11 of this is that Dr Majumdar of course appreciates that
12 in an absolutely perfect world, one would take all of
13 the conceivable liability findings that a court or
14 a tribunal could make and work out whether or not that
15 is a firm-specific effect, for example, or a broader
16 effect than that and have separate analyses for each of
17 those. That could run to many, many, many models. But
18 the data that it is common ground that the experts
19 should be relying on, the FCA data, does not actually
20 allow that sort of analysis to be done in any event. So
21 what Dr Majumdar has had to do is accommodate his
22 approach, or tailor his approach to the available data,
23 and as I say, that approach comprises considering
24 variable costs and applying the regression analysis to
25 the variable costs.

1 So that is where we have come out, and you may very
2 well have further questions for the experts next week
3 relating to that, but that is as far as I can take it.

4 PROFESSOR NEUBERGER: I will obviously need to read what you
5 said very carefully, because I am not sure that I have
6 fully understood exactly what you are saying, but it
7 seems to me at this stage quite difficult to enter into
8 a discussion of pass-on unless there is some
9 understanding on -- I mean, unless I was clearer whether
10 there is a dispute, for example, between the two
11 parties, or three parties in this case, as to what
12 the proper assumption is if the Tribunal finds on
13 the evidence in this case that there was an overcharge
14 on the Claimants. I mean, in essence I am saying,
15 suppose the Tribunal, on the basis of the evidence
16 presented to it, finds that the Claimants were
17 overcharged; we have got no evidence on any other
18 participants in the market. How then will the parties
19 expect us to evaluate the issue of overcharge? Is there
20 a dispute between them or are they agreed on the basis
21 on which we should assess the case for an overcharge?

22 MR SCANNELL: Well, again, this is something that
23 the experts can broach next week, but they have
24 addressed it in the joint expert statement at row 66
25 {E1/13/41}, so that sort of captures where they are at

1 the moment, with Mr Hughes suggesting that it is
2 necessary to consider the difference between
3 industry-wide effects and firm-specific effects, and
4 Dr Majumdar responding to that saying, "Well, I know
5 that, but when it comes to industry-wide effects, for
6 example, these are not OEMs that are working in
7 a perfect competitive environment", he is aware of
8 the elasticities issues that play out, and he says that,
9 you know, to the extent that it is sensible to, he has
10 taken -- he is cognisant of that, he has taken that on
11 board, but he is satisfied that there would be a degree
12 of pass-on, even if it was firm-specific.

13 So that is his -- that is where he has come out.
14 But the important point in relation to the model that he
15 uses is that that does not have as its starting point an
16 assumption one way or the other as to whether it was an
17 industry-wide effect or claimant-specific, and that is
18 down, as I hope is tolerably clear, to a number of
19 different factors. One is the case that is put against
20 us where it is not actually clear whether or not what is
21 being alleged is an industry-wide effect or
22 a claimant-specific effect, and another consideration is
23 limitations within the data and as to whether or not
24 the data permits the sort of granular analysis that you
25 may be contemplating, Professor.

1 PROFESSOR NEUBERGER: I am sorry, I am still puzzled,
2 because it seems to me bound to be the case that
3 the impact -- the degree of pass-on will depend heavily
4 on whether there is assumed to be some industry-wide
5 overcharge or it is claimant-specific, and it does not
6 seem to me that the determination of that is a matter
7 for the experts and it is not something that can simply
8 be left to the experts.

9 I mean, for example, if the Defendants are saying
10 that, if there is an overcharge, the logic is it is
11 industry-wide, and if, for example, the Claimants are
12 saying, "We have had no evidence, we have presented no
13 evidence, there is no evidence in the case that
14 the overcharge was industry-wide", then that is not, it
15 seems to me, a matter for the expert witnesses, it is
16 a matter for the parties who are making their case and
17 making the argument.

18 MR SCANNELL: Well, that may be true, but all we can do is
19 deal with the case that is pleaded against us, and in
20 relation to that, it is not clear that there is
21 a consistency in the Claimants' case as to whether or
22 not what they are alleging is a market-wide effect or
23 a more restricted effect. So the only thing that we
24 could do, faced with that, is to plead that, whichever
25 way they put it, there would obviously be pass-on, and

1 to ask our expert to assess what the available evidence
2 allows him to do, he is satisfied that that available
3 evidence allows him only to go so far as to say, "Well,
4 I can assume that however the variable costs are
5 treated, that is also the way OSS component increases
6 will be treated, but the data does not allow me to go
7 any further than that".

8 PROFESSOR NEUBERGER: I would be interested to hear
9 the views of the Claimants also about --

10 MR SCANNELL: Well, as would we. I mean, we have been
11 waiting for clarification in relation to the question of
12 whether they are alleging firm-specific effects or
13 broader effects essentially since the beginning of
14 the case.

15 A further consideration in relation to all of this,
16 of course, is that we are not dealing with a situation
17 where we are alleging that there was pass-on all the way
18 to consumers. I trust it is well understood that
19 the relevant price for the purposes of the pass-on
20 analysis is the net dealer price and we are considering
21 the price that dealers paid, not consumers, and that is
22 also common ground between the --

23 PROFESSOR NEUBERGER: That I understand.

24 MR SCANNELL: You understand.

25 THE CHAIRMAN: Perhaps we could hear from you, Mr West.

1 MR WEST: Certainly.

2 It is obviously well recognised, as
3 Professor Neuberger said, that the extent of pass-on is
4 likely to depend upon whether the increase in costs was
5 industry-wide or was firm-specific. So I think I agree
6 with my friend that ultimately the Tribunal's ruling on
7 pass-on may require it to make a decision as part of
8 the other elements of the case it has to decide, if it
9 finds an overcharge, as to whether that is likely to
10 have been a firm-specific or an industry-wide overcharge
11 and that may then feed back into the Tribunal's findings
12 on pass-on and that may also mean that the Tribunal has
13 to --

14 THE CHAIRMAN: But we have no evidence of that, have we?

15 MR WEST: I will come to that in a second.

16 It may also mean that the Tribunal has to approach
17 the expert evidence on two alternative bases, although,
18 as my friend accepts, Dr Majumdar just models overall
19 variable costs, so his regression model does not
20 actually distinguish between these two types.

21 Coming back to the evidence, I did say in opening
22 that there is evidence of cartelisation against various
23 third-party car makers, not only my clients and
24 the named OEMs in the Commission decision, and I am not
25 running away from that at all when we get to pass-on; we

1 say it is important evidence when you come to consider
2 the likelihood that there was also cartelisation --

3 THE CHAIRMAN: But there is no evidence of effect.

4 MR WEST: There is no evidence of the prices paid by anyone
5 other than the Claimants, because the other OEMs are not
6 parties to the case. The Tribunal may recall that, at
7 an earlier CMC, the Claimants applied for disclosure of
8 data showing the prices paid by other OEMs, I think
9 the named OEMs, but the Tribunal decided that was a step
10 too far and so it decided not to require the Defendants
11 to disclose pricing data to the other OEMs. So I think
12 that it follows from that that the Tribunal certainly
13 could make a binding finding which would bind as regards
14 those other parties and no doubt the Defendants would
15 not wish them to do so. So, at most, it could conclude,
16 given the nature of the cartelisation alleged, that it
17 is likely to have gone beyond these Claimants or not
18 likely, and if it concludes that, on the evidence, it
19 cannot make a finding that it went any wider because
20 there is no evidence of that effect, then in my
21 submission it would have to proceed accordingly at
22 the stage of pass-on. But I am very conscious not to
23 have my cake and eat it.

24 (Pause).

25 THE CHAIRMAN: The other matter was we sent you a draft

1 protocol for the experts and invited any comments. We
2 have not received any comments, so we will make it
3 a protocol as opposed to a draft protocol.

4 I do not think we have agreed timetabling. I mean
5 the hot tub. We will see how it goes, but I think we
6 are envisaging probably two days, and then that does not
7 mean cross-examination necessarily follows at all, it is
8 not fully-fledged cross-examination, we were envisaging
9 half a day each. Obviously that is -- as I understand
10 it, there will be no need for extra time for
11 the Defendants because there are two parties, although
12 obviously we can hear submissions on that. So that
13 would be -- and obviously you do not have to put all
14 your case or any aspect, you pick and choose what you
15 want to put to the witnesses, but subject to sensible
16 judgment, obviously, if you are going to challenge
17 something that has not been explored in the hot tub
18 which is central and you have not raised in
19 cross-examination, obviously then submissions could be
20 made on that, but there is no firm obligation that you
21 have to put all your case to the experts.

22 So we will proceed on that basis, unless I hear any
23 further submissions on it. Thank you very much.

24 MR WEST: Sorry. The only other matter of housekeeping to
25 raise is that, overnight, we have supplied

1 the Defendants with a document in response to
2 Mr Arango's third statement as admitted yesterday and
3 can I just hand that up. I am going to ask Mr Arango
4 some questions about it; he may or may not be able to
5 assist, but just so the Tribunal has the document.

6 (Handed).

7 I will just explain there are two versions of this,
8 one is in French, which is the original data, and
9 the other is an English machine translation produced
10 overnight.

11 THE CHAIRMAN: Okay, well, let those work their way up, but
12 we can press ahead with the first witness, I think.

13 MS FORD: I am sorry, sir?

14 THE CHAIRMAN: We can press ahead with your first witness,
15 Ms Ford.

16 MS FORD: Sir, ZF's first witness is Mr Drouin, please.

17 MR CHRISTOPHE DROUIN (affirmed)

18 THE CHAIRMAN: Thank you. Please take a seat.

19 (All answers given in English unless otherwise indicated)

20 Examination-in-chief by MS FORD.

21 MS FORD: Mr Drouin, could you look please at {D/1/1},
22 please. Is that your first witness statement in these
23 proceedings?

24 A. Yes, it is.

25 Q. Can we look within this tab to page {D/1/21}, please.

1 Is that your signature?

2 A. Yes, it is.

3 Q. Then can we go, please, to {D/6/1}, please. You should
4 have there your second witness statement in these
5 proceedings?

6 A. Yes, it is.

7 Q. Within this tab, please, page {D/6/5}.

8 Is that your signature?

9 A. Yes, it is.

10 Q. Are the contents of your statements true to the best of
11 your knowledge and belief?

12 A. Yes.

13 MS FORD: Thank you.

14 The Claimants' counsel will have some questions for
15 you.

16 Cross-examination by MR WEST

17 MR WEST: Morning, Mr Drouin.

18 A. Good morning.

19 Q. Could we start with your role in TRW. Just to remind
20 the Tribunal, so you joined the company in 2002 in
21 the body control systems division; that is right?

22 A. That's right.

23 Q. Which is not OSS?

24 A. Yeah, that's right.

25 Q. Then you became an account manager for the PSA account

1 at TRW in the passive safety division in 2002?

2 A. Yes, that's right.

3 Q. So that is now OSS?

4 A. Yes.

5 Q. Which is another word for passive safety?

6 A. That's right.

7 Q. Then, in 2008, you moved to the electronics division as
8 account director for electronics products for
9 the Renault-Nissan account at TRW?

10 A. That's right.

11 Q. So we are here concerned with the PSA account in
12 the period prior to 2011. So you were there for
13 six years in that period?

14 A. That's right.

15 Q. Your responsibility at that time was primarily seatbelts
16 together with airbag control systems; is that right?

17 A. That's right.

18 Q. That is not the same as airbags themselves, is it?

19 A. That's right.

20 Q. You also were not concerned with steering wheels?

21 A. Exact -- correct.

22 Q. Responsibility at account manager level within the PSA
23 business unit for airbags and steering wheels at that
24 time was Madame Virginie Laurent; is that right?

25 A. Correct.

1 Q. So you were account manager and you reported to
2 the account director; is that right?

3 A. Yes.

4 Q. Who was Mr François Olivier?

5 A. Correct.

6 Q. He, in turn, reported to the global account director for
7 that account, Mr Thierry Metais?

8 A. Correct.

9 Q. Thank you.

10 Moving now to the number of suppliers, you say, at
11 paragraph 20 of your statement {D/1/5}, that PSA's panel
12 for OSS included only a small number of suppliers,
13 including TRW. That is in paragraph 20.

14 At paragraph 72 {D/1/18}, you say the main suppliers
15 were TRW and Autoliv?

16 A. It's correct.

17 Q. Who were the other suppliers at the time?

18 A. Not really much. TRW and Autoliv and that's it, I would
19 say.

20 Q. We looked at a document earlier in the week with another
21 witness, which I will not ask you to look at because it
22 was not in your list, but the Tribunal saw it at
23 {J3/33/8}. I am just going to ask if these figures
24 accord with your recollection. Those set out that for
25 seatbelt business in Europe, Autoliv had 60% of PSA's

1 business, TRW 28%, so that is 88% in total, and Takata
2 had another 8%. Does that sound about right to you?

3 A. Yeah, yeah, yeah, that's right.

4 Q. So between those three, they accounted for 96% of PSA's
5 seatbelt business; again, does that sound about right?

6 A. Yeah, yeah.

7 Q. Even Takata was quite a small proportion, only 8%, which
8 confirms your view that the two main suppliers were TRW
9 and Autoliv?

10 A. TRW and Autoliv, yes, main supplier, for sure.

11 Q. So for most RFQs, certainly for seatbelts issued by PSA,
12 realistically there were only two or perhaps three
13 suppliers with a realistic chance of winning; is that
14 right?

15 A. Yeah, that's right. Yeah.

16 Q. In some cases, in the case of some RFQs, TRW might take
17 the view that it is unlikely to win, for example where
18 another supplier was the incumbent; do you remember
19 that?

20 A. Yes.

21 Q. In those cases, TRW would treat that RFQ as less of
22 a priority; do you remember that?

23 A. Less priority, let's say, we have less chance because we
24 are not the incumbent supplier and so we have to
25 reinvest fully and we know that on the price it will

1 have an effect on the competition in front of
2 the customer, so less chance, yeah.

3 Q. In those cases, there might be even fewer suppliers with
4 a realistic chance of winning the bid?

5 A. Sorry, I don't catch your question. Can you repeat,
6 please?

7 Q. In those cases that we are discussing, there might be an
8 even smaller number of suppliers with a realistic chance
9 of winning?

10 A. Yeah, yeah.

11 Q. Yes.

12 That would mean that, in practice, the purchaser had
13 very limited negotiating power, would it not?

14 A. No, because we tried to re-enter, we tried to improve
15 our market share, of course, and we tried to find
16 solution to propose new product to the customer, and
17 what we did in 2004 with the new specification and new
18 requirement. So ... yeah. So the goal for us was to
19 work in advance of the RFQ with the engineering side of
20 the customer to -- trying to find a way to work about
21 new products.

22 Q. But, realistically, a purchaser who has a very small
23 number of suppliers to choose from does not have very
24 many options?

25 A. The point, again, was to work about new products, so

1 A. On the whole market, there is more supplier than only
2 Autoliv and TRW, for sure, but it is dependent so on
3 the region. In Japan, for example, there is Japanese
4 suppliers, but this Japanese supplier doesn't address
5 really the European market, no.

6 Q. I was really talking about the number of purchasers.

7 (Question interpreted)

8 A. The number of purchaser at the PSA side or ...?

9 Q. In the OSS market, or seatbelts in your case.

10 A. Yeah.

11 Q. I was putting to you that there is a larger number of
12 car makers who are purchasing the products compared to
13 the small number of suppliers.

14 (Question interpreted)

15 A. I don't know. Sorry, I don't catch your -- I don't
16 catch your point.

17 Q. Maybe not a fair question because you dealt with one at
18 a time, but ... so let us move on.

19 Can we now look at RFQs, and this begins, I think,
20 at paragraph 30.2 of your statement where you are
21 talking about responding to RFQs {D/1/7}.

22 A. Yeah.

23 Q. The process for obtaining authorisation to respond to
24 RFQs within TRW was known as the "customer quotation
25 authorisation" process?

1 A. Right.

2 Q. At paragraph 30.2 you refer to a business case. So what
3 happened was a business case was prepared and that is
4 what was then authorised by this process; is that right?

5 A. Yes.

6 Q. At paragraph 30.2, you say:

7 "... the sales team worked together with individuals
8 from teams within the Passive Safety Division, including
9 Engineering, Finance and Purchasing, to build a business
10 case that set out the minimum profitability criteria for
11 a project ..."

12 Do you see that?

13 A. Yes, right.

14 Q. Mr Gravell says something slightly different. This is
15 {D/5/1} of the bundle, bundle D, paragraph 13. {D/5/3},
16 paragraph 13. He says:

17 "Each division would also have a finance function
18 led by a Head of Finance (which we now call the ...
19 CFO). When a new RFQ came in, the sales team for
20 the customer would set the process in motion and inform
21 the Commercial group at the division's headquarters to
22 add the RFQ to the central register, which was reviewed
23 regularly (at least once a week)."

24 Then this:

25 "Following the review, the Finance team would

1 prepare a business case for each RFQ with input from
2 other functions such as Engineering, Purchasing and
3 Operations, which would take approximately a week."

4 So Mr Gravell says that it was the finance team
5 which prepared the business case; do you see that?

6 A. We have a commercial -- we have a group, okay, to -- to
7 work on the business case and in this group there is
8 different members from the engineering, finance,
9 commercials, purchasing, and each one is contributing to
10 build the business case, yes.

11 Q. Mr Gravell designed the CQA process, did he not?

12 A. Sorry.

13 Q. Mr Gravell designed the CQA process, did he not?

14 A. It is the group of commercial -- commercial --
15 commercial group who is leading. We are responsible for
16 the business case and we are presenting this business
17 case in front of management to get approval.

18 Q. Mr Gravell designed the business case, did he not --
19 designed the CQA process, did he not?

20 A. Designed the business case -- business case is a tool
21 that we are using since many, many years, and he partly
22 -- maybe part of the design, yes, but it's a continuous
23 improvement, I would say, continuous tool that we
24 improve.

25 Q. I am sorry, I made a mess of the last question. I will

1 put it again.

2 As far as you are aware, Mr Gravell designed the CQA
3 process?

4 A. I don't -- I don't know who designed exactly
5 the business case.

6 Q. You do not?

7 A. I think the business case has been designed over
8 the years with several improvements. In my career
9 inside TRW, I have seen the business case evolution to
10 be more and more complex, so who designed, I don't
11 think --

12 Q. Sorry --

13 A. -- only one person designed.

14 Q. -- it is my fault. I meant to ask you about who
15 designed the CQA process, the customer quotation
16 authorisation process.

17 A. Yeah. I don't know who designed this.

18 Q. You don't know?

19 A. Yes.

20 Q. You were not in the finance division of the company?

21 A. Myself?

22 Q. Yes.

23 A. No, I'm sales.

24 Q. Sales, yes.

25 In fact, none of the Defendants' witnesses were in

1 the finance department?

2 A. None?

3 Q. You may not know.

4 (Question interpreted)

5 A. No, no, no, we are all from sales department.

6 Q. You refer to an example business case in your
7 statement --

8 A. Yeah.

9 Q. -- at paragraph 35, so this is back in tab 1 {D/1/8}.

10 You refer to:

11 "... example business case for ... PSA [on] the M3M4
12 project ..."

13 You have given a document reference number there.

14 A. Mm-hm.

15 Q. That document can, I believe, be found in {J1/1021/1},
16 and it is a spreadsheet, so it may not be a document
17 which one can look at in paper form.

18 A. Mm.

19 Q. If we could perhaps look at the tab which
20 says "Financials", you will see this sets out various
21 financial details, and are you able to see where
22 the proposed cost is set out in that document,
23 the price?

24 (Pause).

25 Can you see?

1 A. Sorry, sorry, I don't catch your question. What is your
2 question, please?

3 Q. Can you see where the proposed price is set out?

4 A. The price -- the proposed price -- "Price Proposed for
5 Approval", yes, I see, line 64.

6 Q. If one goes down on this document, further down, there
7 is a financial analysis set out which has led to that
8 price being determined; do you see that?

9 A. So, yes.

10 Q. Sorry, could we just scroll further down the document.
11 It is quite lengthy, this page, I believe.

12 A. Mm-hm.

13 Q. So there is a complex financial analysis underlying that
14 recommended on the price?

15 A. Yes.

16 Q. This was a steering wheel quote, I believe; is that
17 right?

18 A. Yes.

19 Q. If we go back to the top so I can show you that,
20 "Product: SW PU", so that is steering wheel
21 polyurethane?

22 A. It's a steering wheel product. If I -- if I may?

23 Q. Yes.

24 A. This document is a complex document, as you can see,
25 with several sheets, and what we used to discuss in

1 front of the business case committee for their approval
2 is a sheet executive summary on which you have all
3 the information, key information, to summarise
4 the project, and this "CQA executive summary" is the one
5 we got signed to be authorised to quote to the customer.
6 So my recommendation, if you want to have a look,
7 perhaps on the overall, is to have a look on the CQA
8 executive summary instead of the details on which
9 the sales doesn't have to work in, it's more the guys
10 from the finance and the quotation team who are working
11 in.

12 Q. There is an executive summary tab, if you want to look
13 at that.

14 A. Yes, it's the blue. Yes, this one, yeah. You see that
15 on this one there is a box for approval for signatures
16 and we present -- as salespeople, we present this
17 summary in front of the committee and we explain
18 the project to get the approval to quote to
19 the customer. Without this sheet signed, we are not
20 authorised to quote to the customer.

21 Q. The boxes for signature in this one we see as VP of
22 sales and CEO; do you see that on the page?

23 A. Yeah, there is -- you see the box, line 46 "Executive
24 Approval", so "VP Sales" and "CEO", so ... and below
25 there is a signature for each department, so operation,

1 customer development, engineering, and so you have
2 the head of each department who is going to sign, means
3 the approval of the full case.

4 Q. Could we go to the top of this page, please.

5 There seems to be a mismatch between the information
6 displaying and that printing out, but we can perhaps
7 resolve that later.

8 On at least one version, looking at this document,
9 it identifies someone called the "project owner" and
10 someone called the "estimator". The project owner is
11 down as "Mr Olivier", that would be François Olivier?

12 A. He was my boss, yes.

13 Q. He was your boss?

14 A. Yes.

15 Q. The estimator is given as a Mr Taibo.

16 A. Yeah, I don't know, yeah, because --

17 Q. Presumably someone from the finance department?

18 A. Yeah, yeah. Here we are speaking about steering wheel,
19 so it was not my product.

20 Q. No.

21 A. I was in charge of seatbelt, but ...

22 Q. But this is the example that you have ...?

23 A. Sorry?

24 Q. This is the example in your witness statement?

25 A. Yeah, yeah.

1 Q. The price which is in this document, as I understand
2 your evidence, is the minimum price which the sales team
3 were then authorised to offer?

4 A. Exact. That's the form approved by the committee, by
5 the management. Of course, we are going to negotiate
6 with the customer to -- to -- to have a better price if
7 possible.

8 Q. You do refer to another example of one of these from an
9 earlier point in time in your statement, paragraph 41 of
10 your statement {D/1/10}, a 2002 document ZF-241083.
11 That is another spreadsheet, so, again, it may not be
12 possible to look at a paper version. It is at
13 {J1/1108/1}. Can we go to the top of that? So we see
14 this is a PSA --

15 A. Steering wheel. Yeah, steering wheel, yeah. It was
16 a steering wheel.

17 Q. Another steering wheel one?

18 A. Yes, it's -- it's a steering wheel product, yes.

19 Q. So not your area?

20 A. No, it's not my product area, no.

21 Q. This relates to something called the PSA A7?

22 A. So this one is for -- let me check -- PSA steering
23 wheel. I don't know if there is -- A7, yes, platform
24 vehicle, A7. Correct.

25 Q. The A7 was the Peugeot 207; do you remember that?

1 A. Yes, yes, yes.

2 Q. A predecessor of the A9; did you know that?

3 A. Sorry?

4 (Question interpreted)

5 I don't remember, to be honest. A7, yeah, it was

6 a Peugeot 207, yeah.

7 Q. Mr Corbut, another witness for Autoliv in the case, says

8 that Autoliv won the tender for the A7 for OSS apart

9 from the side airbag, so we know that this bid was

10 unsuccessful in the event?

11 A. Yes.

12 Q. This lists the "Current Supplier/Competitors"; do you

13 see that, line 18?

14 A. 18 -- 18, competitors, yes, for the steering wheel,

15 yeah, "Breed, AUTOLIV, Dakata ..." --

16 Q. Autoliv is in capital letters --

17 A. Mm.

18 Q. -- is that because it was the existing supplier?

19 A. I -- sorry, sir, I don't know why it's in capital, no.

20 Q. We see, if it is possible to scroll down, this seems to

21 be a similar document but it is many years earlier, so

22 it may be the analysis was slightly simpler at this

23 time?

24 A. What I think is, this document is only one sheet of

25 the produced -- the document that you have seen in which

1 you have several sheets, so I would say this document is
2 not complete, it's only one sheet. You should have
3 the other one about the finance and so on, and
4 the executive summary on which we have the box for
5 the signatures, yeah.

6 Q. What we see, for example, the information here
7 on line ... about 66, the different headings, full
8 manufacturing cost, total cost, contribution, gross
9 margin, total sales and so on.

10 Then beginning at line 79, the approvals?

11 A. Yes.

12 Q. You see there the various individuals who have to
13 approve this?

14 A. Yeah. Yeah, but it's not the CQA I used to work with,
15 which was more in line with the template you have seen
16 before, yeah. So this one I don't know, yeah.

17 Q. If we can go back to the top.

18 A. Mm.

19 Q. You can see just at the very top right it says:

20 "Created by FC - H Wiedmann."

21 So, again, that could be, again, someone from
22 finance in Germany?

23 A. That's, yeah, probably from Germany, yes, and probably
24 the guy who created the first template form, the owner
25 of the template, yes.

1 Q. You think that is the person who made the template
2 rather than who created this particular analysis?

3 A. Yeah. Yes.

4 Q. Now, the Nanterre team that you were in was a customer
5 facing commercial team; is that right?

6 A. Sorry, can you repeat.

7 Q. The team within TRW of which you were a member --

8 A. Yes.

9 Q. -- was a customer-facing commercial team?

10 A. Yes, commercial, yeah. Sales team. Sales team group.

11 Q. Sales team.

12 That is because the customer, PSA, and also Renault,
13 was a French company?

14 A. I don't get the question.

15 (Question interpreted)

16 PSA are a French company at this time, right, and
17 there is a team specific for PSA and a team specific for
18 Renault --

19 Q. But were --

20 A. -- two separate team.

21 Q. -- both in Nanterre I think at that time?

22 A. Yes, in Nanterre, near Paris, at this time, yes.

23 Q. Now in La Défense, I believe?

24 A. It was really close. Nanterre is touching La Défense,
25 it was already on the border of La Défense, yeah.

- 1 Q. By contrast, the finance, engineering, purchasing and
2 operations team were based in Germany; is that right?
- 3 A. Yes.
- 4 Q. That is paragraph 17, I think, of your statement
5 {D/1/4}, where you say:
6 "As well as being the headquarters for the Passive
7 Safety Division, Alfdorf ..."
8 So that is in Germany.
- 9 A. Yes.
- 10 Q. "... was the base for TRW's Engineering and Commercial
11 Departments ... also ... the back-office sales support
12 team for all OEM ... accounts ..."
13 And so on.
- 14 A. Yeah.
- 15 Q. You say the head of division was based in Germany; that
16 is right? Paragraph 14?
- 17 A. So, I'm speaking here about my product. So my product
18 for seatbelt, the head of this product line was in
19 Germany, in Alfdorf, and in France, in Paris, we have
20 all the sales team and a few people about engineering
21 for the application link with the customer, yes, and
22 a few people about quality also, yeah.
- 23 Q. So there was also a small engineering team in France.
24 Does that still exist?
- 25 A. It was a small team to make the interface with

1 the customer and meet the customer to work on
2 the development, or work on as a technical interface for
3 the quotation, yes.

4 Q. The customer facing team, so the sales teams for
5 the German car makers, were also in Germany?

6 A. Yes, of course, yes.

7 Q. Such as Volkswagen?

8 A. Yes, yes.

9 Q. BMW?

10 A. Of course, yes. We -- we -- the approach was to have
11 sales team the closer from the customer, so for German
12 customer, yes, we have in Germany all the sales guys.

13 Q. Now, there was a division within TRW relating to sales
14 between the different car companies. You have explained
15 that. In this litigation we have been using
16 the word "siloining", which may be unfamiliar to you, but
17 by which we just mean separating into different teams.

18 A. Yes.

19 Q. You have explained that the customer sales teams were
20 siloed or separated in that way. But the teams in
21 Germany, such as finance and the head of the division
22 and so on, they were not divided by OEM, they dealt with
23 all of the OEMs?

24 A. It's a -- it's a group working for several OEMs, yes.

25 Q. Yes.

1 Could we look at a CQA meeting agenda, which I think
2 you are named on. That is tab 1094 {J1/1094/1}.

3 A. Yes.

4 Q. So this is an agenda for a CQA meeting in 2005, and we
5 see at item 7 is a PSA item which is to be addressed by
6 Mr Olivier?

7 A. Yes.

8 Q. Item 8 is another PSA item to be addressed by you?

9 A. Right.

10 Q. But we see that at the same meeting there are various
11 other car maker quotes being discussed; do you see that?

12 A. Yes, I see.

13 Q. So at 4, 5 and 6, we have Volkswagen quotes being
14 approved, for example?

15 A. I see, yes.

16 Q. Do the individuals who are addressing those items, do
17 those names -- are you familiar with those people?

18 A. Let me check. (Pause).

19 Yes, some of them are sales colleagues, of course,
20 yeah.

21 Q. Do you -- are you aware of the specific individuals from
22 TRW's Volkswagen business unit who were investigated by
23 the European Commission?

24 A. By the past?

25 Q. Yes.

1 A. Yes.

2 Q. You are aware of the individuals?

3 A. No, no, no, no.

4 Q. No.

5 Well, my point is that, as far as these CQA meetings
6 were concerned, they, again, were not siloed, there was
7 not separate meetings for each car company?

8 A. Yeah, you -- if I can explain the process, because it's
9 a traditional process, I would say, inside ZF/TRW. So
10 we have CQA session, so it's a meeting with an agenda
11 that you have here. We serve our business case to -- to
12 review, and we have all a slot, okay, in which we are
13 requested to present the business case that you have
14 seen, especially the summary, and to ask for approval.
15 So, usually, the process is, of course we are not
16 attending the full one, because it's -- it's a very long
17 one, so we are waiting to get the call, our teams, and
18 we connect and explain our -- our business case and get
19 the signature on it. That's the way we used to -- to
20 practice, yeah.

21 Q. But the individuals who had to grant approval or
22 withhold approval, they, I think, depended on -- they
23 may have depended on the size of the tender, they may
24 also have varied over time, but you say they included
25 the management heads of the passive safety division; is

- 1 that right?
- 2 A. Yeah, that's right.
- 3 Q. So that is the head of engineering?
- 4 A. Yes. That's the head of each department are supposed to
- 5 be there, of course, yeah, because they are supposed to
- 6 approve and sign, yeah.
- 7 Q. So they would see all of these presentations?
- 8 A. Right.
- 9 Q. If a tender was large enough that it had to go to
- 10 the top management of TRW in America, again, they would
- 11 see all presentations which required that level of
- 12 authority?
- 13 A. Yes.
- 14 Q. Yes.
- 15 That is an agenda. We have an example of some
- 16 minutes at {J1/1075/1}.
- 17 A. Yes.
- 18 Q. We see, again, as one would expect, similar to
- 19 the agenda but these are minutes mixing different OEMs
- 20 or car companies, Volkswagen, Bentley, Kia, CAC and one
- 21 sees, at item 5, PSA?
- 22 A. Yes.
- 23 Q. Again, Mr Olivier, your boss?
- 24 A. Yes.
- 25 Q. So that is the A70/A71 program?

1 A. Yes.

2 Q. Yes, sorry, item 5, it says, "PSA A7 System".

3 A. Yes.

4 Q. Is that -- that seems to be the same as the --

5 A. Yeah --

6 Q. -- business case?

7 A. -- A7, there is two vehicles, A71 and 70, so that's

8 the same, A7 is the group, okay?

9 Q. But we do not know if this is the same -- this is

10 the meeting at which the business case we looked at

11 before is being discussed?

12 A. I can perhaps explain a little bit, if you want. So,

13 here, François Olivier, my boss, is mentioned here, and

14 the request for quotation that we get at this time was

15 for the full system, the complete system, so not only

16 seatbelt but seatbelt, steering wheel, front airbag,

17 side airbag, so the full system, so that's why it was

18 François Olivier who led this complete package and not

19 only individual France team for product of the seatbelt.

20 Q. We see the minuted outcome:

21 "Approved ... scenario 1 and 2 -- with ... pricing

22 shown on the executive summary ..."

23 I am not sure the document we saw had those

24 scenarios, but as you say, that may have been because it

25 is incomplete.

- 1 A. From my memory, from what I remind, is we got approval
2 for -- by product and we got after that an approval for
3 the system -- complete system, yeah, as a bundle.
- 4 Q. Could we look at another example at {J1/969/1}. So this
5 one is 2004, and again there is a PSA item, item 5.
- 6 A. Yes.
- 7 Q. The minuted result:
8 "Approved, Airbags at requested pricing.
9 Electronics at revised pricing as discussed in meeting."
10 So the result of the meeting could be that
11 the pricing in the business case was revised?
- 12 A. What happened some time is, of course, the quotation is
13 not only one round, it's several rounds, it can be
14 six months, eight months, one year sometimes of
15 negotiation with the customer, so several offer, several
16 business case, and as a sales team we are trying to get
17 the business, so some time we are going very closely to
18 the bottom floor or to the minimum margin, or sometimes
19 lower than the minimum, and sometimes the sales team
20 fail to convince about the price at a very, very low
21 margin, so there is a revision during the quote --
22 during the process of the CQA asking us to come back to
23 the minimum margin and so revise the price, yeah.
- 24 Q. Just one more of these before we move on {J1/954/1}.
25 This is a 2006 PSA meeting minute -- sorry, CQA meeting

1 minute referring to PSA at items 13 and 14 {J1/954/2}.

2 13, we see, is a seatbelt item, so that is your name

3 doing that?

4 A. Exact, yes.

5 Q. "Approved", well done.

6 Then 14 has to do with safety electronics update and

7 that is yourself and Mr Olivier; you see that?

8 A. Yes, yes.

9 Q. The result:

10 "Approved with ... price reduction of 3 x 2%."

11 Is that what we have been referring to as an LTA or

12 long-term agreement?

13 A. Exact. It's part of the product, what we call also
14 the productivity, it's a yearly productivity that we put
15 on the contract to revise the price every year. So here
16 we are speaking about three times 2%, so each year
17 during three years we are decreasing the price by 2%,
18 right.

19 Q. It goes on:

20 "Also got John Plant approval on ... May 31st ..."

21 So Mr Plant was the ... can you explain who was he?

22 A. He was the CEO of the company at the time, the CEO of
23 TRW at this time, yeah.

24 Q. So presumably this was a large enough piece of business
25 that it required his approval?

1 A. Exact. When the business is quite large and with, let's
2 say, a difficult KPI, low -- very low margin or so on,
3 it's moving up to -- to the CEO for approval, yeah.

4 Q. Now, it was of course open to the sales team to try and
5 negotiate higher prices than those that were approved in
6 this process; that is right, is it not?

7 A. So, always, the CQA is defining bottom floor, and of
8 course the added value of the salespeople is to try to
9 negotiate with the customer higher price, yeah.

10 Q. As you just mentioned, you could go back and try and get
11 a new authorisation?

12 A. Yes. So here we have the authorisation to quote, for
13 example, three times 2%. It doesn't mean that will go
14 directly to the customer to offer three times 2%. We
15 will offer middle, two times 2%, for example, and have
16 some negotiation. We are not going to the CQA committee
17 every week with a revision, okay? We are going -- we
18 try to manage also the -- on this -- this -- let's say,
19 meetings on a regular basis, but not on every week,
20 yeah.

21 Q. Just to summarise, when we are talking about the minimum
22 prices, those were set, I suggest to you, by the finance
23 team in Germany via the business case and approved via
24 the CQA process, and none of the individuals involved in
25 that were separated out by car maker.

1 A. I'm not sure ...

2 (Question interpreted)

3 The CQA is an approval by quotation, by RFQ and by

4 car maker, so it's a separated sum. It's individuals'

5 business case and individual case, I will say.

6 Q. Can we move on to meetings, so not CQA meetings, we have

7 done that. You refer to some other meetings in section

8 E of your statement, beginning at page 15 of tab 1,

9 bundle D {D/1/15}. You refer, at paragraph 63, to

10 "yearly Target Review meetings"; do you see that?

11 A. Sorry, let me read.

12 Q. Page 15.

13 A. Refresh -- refresh the ... okay.

14 So 61, you say?

15 Q. 63.

16 A. 63, sorry.

17 Q. Second line:

18 "... yearly Target Review meetings ..."

19 A. Where is it?

20 Q. Do you see that?

21 A. 63, okay. Okay. Yes, okay, "yearly Target Review

22 meetings", okay, I got it. Sorry.

23 Q. The other type of meeting you mention is in

24 65, "Customer Strategy Review meetings"?

25 A. Yes. Yes.

1 Q. How frequently would they take place?

2 A. So this meeting is yearly meetings, okay?

3 Q. Yearly?

4 A. Yearly meetings that we have with the management.

5 The target review meetings is to have a look for each

6 account about the opportunity and target on which we

7 will work during the year, okay, and the coming years.

8 It's defining the plan, the sales plan. And

9 the customer strategy review is also yearly meetings

10 with the board of management, and we define

11 the strategy, we explain, the sales team come and

12 explain in front of the board the strategy that we have

13 to manage a customer.

14 Q. But there were also -- please tell me if you were not

15 aware of this -- there were also divisional sales

16 meetings; were you aware of that?

17 A. Yeah, of course, we have -- we have, of course, division

18 -- divisional sales meeting, sales seatbelt review, for

19 example. Yes, we have on a regular basis such kind of

20 meeting, of course.

21 Q. You do not mention those in your witness statement, I do

22 not think?

23 (Question interpreted)

24 A. I don't know. I don't remember. I don't think --

25 I don't think I spoke about this divisional sales

- 1 meeting. I'm not sure, no.
- 2 Q. Can we look at an example of a presentation at such
3 a meeting, tab 756 of bundle J1 {J1/756/1}. Do you see
4 this?
- 5 A. I see that.
- 6 Q. I do not think we have a list of people who were at this
7 meeting. Do you know if you were at this meeting, or do
8 you not remember?
- 9 A. Not everyone, of course. We have some people, like
10 François Olivier, for example, my boss, participating to
11 this kind of meeting, yeah.
- 12 Q. We see the presentation is apparently given by
13 Mr Roland Bausch?
- 14 A. Yes.
- 15 Q. Do you remember him?
- 16 A. Yes.
- 17 Q. Would that be because he was the head of sales of OSS in
18 Europe?
- 19 A. Yes.
- 20 Q. We see that the meeting, if you go to {J1/756/3} of
21 this, this is one of the topics is price givebacks?
- 22 A. Yes.
- 23 Q. You will see on this table, listed on the left, all of
24 the OEMs?
- 25 A. I see.

1 Q. Two pages on {J1/756/5} is -- it looks like it is to do
2 with magnesium price increases and again there is a list
3 of all of the OEMs?

4 A. Yeah, it was related to steering wheel for magnesium.
5 Magnesium is related to steering wheel product line,
6 yes.

7 Q. So that would not have concerned you, that business
8 item?

9 A. This specific slide is not my product line, but, yeah.

10 Q. But what we see in these meetings is business being
11 discussed across all of the OEMs?

12 A. It's a summary -- I see on the screen that summary about
13 key KPI about OEMs, yes, the turnover and so on.

14 Q. There was also a type of meeting called an "AD" meeting.

15 A. AD?

16 Q. AD, which I think stands for "account director".

17 A. Right.

18 Q. Now, you were not an account director at that time?

19 A. I was not at this time, yeah.

20 Q. So, again, maybe you were not aware of these meetings,
21 or were you?

22 A. Of course, we discussed with -- I discussed with my
23 management, of course, but I don't remember exactly on
24 this case he wants to discuss if I was there or not,
25 so ... I'm okay to listen your question if you have

1 a question.

2 Q. I am just asking whether you were aware of these
3 AD meetings?

4 A. I'm aware that we have these kind of meetings, of
5 course. I'm not participating to this kind of meeting
6 because it's for just the account director level.

7 Q. Again, you do not mention this in your statement?

8 A. No, no, no.

9 Q. Could we look at an example at {J1/1072/1}.

10 A. AD meeting, yes, I see, I see.

11 Q. "Minutes of AD meeting ...", so I suggest that is
12 the account director meeting.

13 A. Right.

14 Q. 15 March 2007.

15 If you go to the end of this, there is a list of
16 participants {J1/1072/3}.

17 A. Yes.

18 Q. It is fair to you to point out that you are not listed,
19 but we see, for example, there are some names and then
20 a gap and then some more names. We see Mr Bausch listed
21 that we saw a second ago. Mr Fossat, he was on the FCA
22 account, I believe, at that time; is that right?

23 A. Mr Fossat, yes, yes, correct.

24 Q. Mr Ayguen, do you know -- it is not a memory test, but
25 do you know what his role was?

- 1 A. I don't know. I don't know at this time, sorry.
2 I don't remember exactly.
- 3 Q. Mr Fruck -- some of these names will be familiar to
4 the Tribunal -- Mr Gutierrez, and carrying on, we have
5 Mr Dugout, if that is how you pronounce it?
- 6 A. Mr -- sorry -- Dugout -- Dugout, yes, was a sales guy
7 located in Paris.
- 8 Q. For -- (overspeaking)~--
- 9 A. If I remember well, he was focused about Renault.
- 10 Q. Mr Arango says he was on the Renault business account?
- 11 A. Yeah.
- 12 Q. Mr Krebs, again ...?
- 13 A. Sorry, I don't remember all the name. François Olivier
14 was there, I see, for PSA, but the other one I don't
15 really remember.
- 16 Q. So, again, I suggest to you these are the account
17 directors who were responsible for all of the OEMs, or
18 at least several of them.
- 19 A. Yes.
- 20 Q. If we look at what was discussed, item 2 {J1/1072/1},
21 "Material Inflation", for example, do you see that?
- 22 A. Yes.
- 23 Q. Item 3, "VA/VE Activities", that is value analysis,
24 value engineering?
- 25 A. Yes, right.

1 Q. "Customer Price Reductions" at 5. At 7, "Withhold
2 Givebacks".

3 Then, at 9 {J1/1072/2}, there is
4 a "Roundtable-Discussion" between the ADs of the various
5 OEMs; do you see that?

6 A. I see.

7 Q. Sorry, just give me a second.

8 (Pause)

9 Yes, sorry, it looks like there were also ad hoc
10 meetings from time to time within the --

11 THE CHAIRMAN: Just on the AD meetings, do we know how often
12 they took place? I notice the next one is April.

13 MR WEST: Mr Gravell may be able to assist with that,
14 because Mr Drouin was not an AD.

15 THE CHAIRMAN: This one is 15 March and then it says
16 the next meeting is 17 April {J1/1072/3}, so it looks as
17 if they might have been monthly.

18 MR WEST: It looks like they are monthly, yes.

19 A. Yes, yes, I suppose. I suppose, monthly, yeah.

20 Q. Sorry.

21 The next one I was going to was {J1/753/1}.

22 So, again, you were not on this, so it may be you
23 cannot assist. This says it is minutes of an ESO sales
24 team meeting. Does that -- could you explain what that
25 is, "ESO"?

1 A. I don't -- I don't know this one. I was not part of
2 this -- of this, and, yeah, I don't know, sorry.

3 Q. Okay, I will move on from that.

4 {J1/775/1}, again, if you look at the list of people
5 this email goes to, it looks like, again, the account
6 directors for the various OEMs.

7 A. Yes.

8 Q. "... OSS Target & Giveback Reviews ... 2007". Then one
9 sees under the various headings, "PSA", "DC", that would
10 be DaimlerChrysler, "Fiat", "Ford", General Motors, so
11 it looks like the discussion, and it says there in
12 the third line -- starting in the second line:

13 "We will schedule individual meetings with [account
14 directors] for Monday/Tuesday, June ... to finally agree
15 on targets and pricing."

16 Do you see that?

17 A. So, yeah, I see, so that the minute of the target and
18 giveback review.

19 Q. As well as pricing, there would also be meetings to
20 discuss profitability. If you could look at {J1/741/1}.
21 So this is quite an early document going back to 2003?

22 A. Mm.

23 Q. We can see there the list begins with Mr Bausch and
24 various others, then copied in, Mr Markowsky, and then
25 in the second line you see Mr Lake. Could you explain

1 who Mr Lake was?

2 A. Mr -- Mr Lake was the boss of Mr Metais. Mr Metais is
3 the boss of François Olivier and François Olivier is my
4 boss --

5 Q. Mr --

6 A. -- so all sales.

7 Q. Mr Metais is also listed, if you look at the CCs.

8 A. Yes.

9 Q. The subject is a "Profitability Management Workshop"?

10 A. Yes.

11 Q. It says:

12 "Dear All-

13 "I am writing to invite you to participate in
14 a workshop on Managing Profitability to be held ... in
15 Alfdorf ... You were nominated by your respective
16 [global account director] to attend this workshop to
17 represent your customer/product line ... being conducted
18 in an effort to strengthen the Customer Management
19 Roadmap."

20 Various objectives are set out. So my suggestion to
21 you is simply that there would be meetings from time to
22 time amongst all of the account directors or, here,
23 global account directors, to discuss profitability
24 issues.

25 A. Yes, right.

1 MR WEST: Moving on from meetings to reports. There would
2 have been, at the time, monthly customer development
3 reports?

4 THE CHAIRMAN: Mr West, if we are moving on, is this an
5 appropriate moment for five minutes?

6 MR WEST: Yes.

7 (11.47 am)

8 (A short break)

9 (11.58 am)

10 MR WEST: Mr Drouin, I was asking you about the customer
11 development monthly reports and I was going to show you
12 an example at {J1/1067/1}. This is quite an early one,
13 2002. We see it is from Mr Markowsky, and
14 the individuals to whom it is sent, again, it looks like
15 these are the account directors for the various
16 accounts.

17 A. Peter Markowsky was a sales lead for OSS.

18 Q. Say that again?

19 A. Peter Markowsky was a sales lead for OSS.

20 Q. Sales lead.

21 Mr Olivier, for example, is on the list of
22 distribution.

23 A. Yeah, my boss, yes.

24 Q. We see, just looking through this document, that it
25 looks like this dealt, again, with all of the different

1 car makers rather than having separate reports for each
2 one; do you see that?

3 A. Yes, I see.

4 Q. If we could just look at one or two of these, there is
5 one at tab {J1/898/1} I would like to show you. You do
6 not seem to have been on the list. Did you receive
7 these reports?

8 A. Yeah, yeah, yes. Yes, yes.

9 Q. You do not deal with this in your statement?

10 A. No, no.

11 Q. If you go forward to page {J1/898/5} of this document,
12 under "PSA", it has "Seat Belt Systems" and
13 then "Inflatable Restraints", and the second line under
14 inflatable restraints talks about:

15 "Price increase of 4 euro (still in negotiation with
16 PSA)."

17 Do you see that?

18 A. Yes, I see.

19 Q. If you go on to the next page {J1/898/6},
20 under "Toyota", about ten lines down, it says:

21 "Currently TRW is on top of the list due to
22 the uncompetitive prices for the Yaris quotes we made
23 and the current high prices for the Avensis."

24 I do not know what that means but it does not
25 matter. It then says:

1 "([Driver Air Bag] & [Steering Wheel Systems] =
2 75 euro)."

3 Do you see that?

4 A. I see.

5 Q. If we could go to {J1/1062/1}. So this is a customer
6 development monthly report from July '04, and if you
7 look on page {J1/1062/3}, at "FIAT":

8 "Seat Belt Systems."

9 We can skip to the next one:

10 "Steering Wheel Systems:

11 "PACKAGE 2: We have been awarded the current
12 Lancia Y 843 steering wheels, currently supplied by
13 Breed."

14 THE CHAIRMAN: Sorry, where are you reading this?

15 MR WEST: Sorry, page 3 of the document.

16 THE CHAIRMAN: Yes.

17 MR WEST: Under "FIAT".

18 THE CHAIRMAN: Yes, I have got that.

19 MR WEST: Second bold heading "Steering Wheel Systems" --

20 THE CHAIRMAN: Oh yes, I see it. I beg your pardon, yes.

21 MR WEST: "Base [Steering Wheel]: 11,20 €.

22 "Leather [Steering Wheel]: 26 €."

23 Then some other prices, presumably different
24 varieties:

25 "Volumes: 90,000 pcs ... [Start of Production]:

1 asap - Turnover ...

2 "All prices are inclusive of development and tooling
3 since this is a Global Sourcing."

4 Do you see that?

5 A. I see.

6 Q. The final one to take you to is {J1/934/1}. This is one
7 from March '05.

8 One can see under "VW" on {J1/934/6}:

9 "Inflatable Restraint Systems."

10 The reference to approximate sales of 5 million on
11 the third line.

12 Under, "General", Volkswagen asking for a price
13 reduction of 5% for total sales volumes, on the other
14 hand TRW is asking for a price increase as a result of
15 material price inflation.

16 So these discuss matters like volumes, prices,
17 discounts, material price, inflation and so on; is that
18 right?

19 A. Yeah.

20 Q. There were also reports called "management letters". If
21 you could look at {J1/981/1}. So this is "May
22 Management Letter", although it is dated June, from
23 Mr Müller in Alfdorf.

24 A. Yeah.

25 Q. One can see here, "General business highlights", so an

1 overall view of the business. There is a section on
2 "Business development". I am not going to go through
3 all of this.

4 Financial results for May and year-to-date
5 {J1/981/2}.

6 The next page {J1/981/3} has, "Sales acquisition
7 (Wins/Losses).

8 The next page {J1/981/4}, "Price and cost
9 reduction". There is then a section "plant highlights"
10 dealing with the different plants.

11 Then the section on "Program management". I am
12 afraid my version is not paginated but ... at page
13 {J1/981/9} of the document. There is then a section on,
14 "Program management" addressing program management
15 issues relating to the various OEMs.

16 Again, I am not going to go through all of this, but
17 an overview of various business issues relating to all
18 of the OEMs and the business as a whole?

19 A. Yeah, this -- this document are exchange communication
20 between high level of management and that's a summary
21 about the business, I see. So I would say it's -- it's
22 a communication --

23 Q. Mr Müller --

24 A. Sorry?

25 Q. Do you know who Mr Müller was? If we go back to

1 the first page {J1/981/4}, from Mr Müller.

2 A. I don't remember Frank Müller. I don't remember.

3 Q. Do not worry.

4 A. No, I don't remember exactly the role of this guy, no.

5 Q. "To", you have explained Mr Plant was the CEO?

6 A. Yes.

7 Q. What about Mr Lunn, do you know?

8 A. He was in charge of the industrial.

9 Q. Of what?

10 A. Industrial.

11 Q. Industrial.

12 At paragraph 66 of your statement {D/1/16}, you

13 mention Mr Bausch. You told us a minute ago he was

14 the head of OSS sales for Europe for TRW?

15 A. Yes.

16 Q. You say here, at paragraph 66, second line:

17 "... [Mr] Bausch, who I understand was the Global

18 Account Director for the BMW Group at TRW ..."

19 Do you see that?

20 A. Yes, mm-hm.

21 Q. So Mr Bausch appears to have held two roles, one is as

22 the head of the BMW group and the second as head of OSS

23 sales Europe?

24 A. Yeah, at this time I'm not sure about the role of each

25 one, okay? So probably the change of positions, I'm not

1 sure about this.

2 Q. If you look at tab {J1/908/1}, this is an email from
3 Mr Zeizinger -- sorry, from Mr Olivier.

4 A. Olivier, right.

5 Q. To Mr Zeizinger, Mr Metais, copied in to Mr Bausch, we
6 see?

7 A. Yeah.

8 Q. You are also on this list, Christophe Drouin --

9 A. Yes.

10 Q. -- third line down. This is from 2006, and we see it
11 concerns "Executive Approval for Sidebags & Safety
12 Electronics" for PSA A58. Do you see that?

13 A. Yes.

14 Q. So it looks like Mr Bausch was involved in the process
15 of obtaining authorisation for this -- or obtaining
16 approval, I am sorry, for this quote; is that right?

17 A. He's in copy of this email, that's what I can see, yeah.

18 Q. {J/731/1}, could we look at that. So this is an email
19 setting up a meeting, sent by Mr Schneppen, manager of
20 program management for seatbelt systems, in 2006, sent,
21 again, we see, to Mr Bausch and also to Mr Olivier:

22 "Subject: PSA X7/A51/T8 Profitability."

23 So it looks like this is a meeting about PSA
24 profitability and it looks like the attendees include
25 Mr Olivier and Mr Bausch; do you see that?

1 A. Yeah.

2 Q. So, again, it looks like Mr Bausch is taking an active
3 involvement in the PSA account?

4 A. I don't remember. Here we are speaking about meetings.
5 I think it was during the development on
6 the (inaudible), on the project, so not in sale effort,
7 and it's a review about the profitability of each
8 programs, yeah.

9 Q. In your witness statement at paragraph 66 {D/1/16},
10 about halfway down, so this is page 16, tab 1, bundle D,
11 a sentence beginning:

12 "It is quite difficult to compare prices even for
13 the same product, as the price includes elements that
14 vary from customer to customer and ... project to
15 project, such as the costs of validation and
16 development ..."

17 And so on. So you are making a point about
18 comparability; do you see that?

19 A. Yes.

20 Q. Could you look at {J1/1007/1}. So this is a document
21 from 2010, "Product Strategy Process, [Seatbelt Systems]
22 Product Plan". If you go on to internal page 23
23 {J1/1007/23}, you'll see a template, "Market Price
24 Curves" diagram at the bottom there, which plots out on
25 a graph prices for products supplied to different OEMs.

1 Porsche, one sees, naturally, rather more expensive, but
2 also Ford, VW, GM, BMW, CAGR, can you assist with who
3 that might have been?

4 A. So it was annual growth. Annual growth, yeah.

5 Q. If you go over the page {J1/1007/24} "Retractor Market
6 Price Curves".

7 A. Market price curves.

8 Q. One sees here being set out comparisons. I'm afraid it
9 is rather difficult to read, but in the Europe one, for
10 example, under retractor market, VW Touran, Fiat Panda,
11 PSA, Ford, so these are comparisons of the price of
12 different retractor pretensioners?

13 A. Pretensioners is the active part to make the pretension,
14 yeah, in the seatbelt system, yeah.

15 Q. Over the next page {J1/1007/25}, again, retractor
16 pretensioner. So the first was retractors, and the next
17 one is retractor pretensioners it looks like?

18 A. Retractor pretensioners ... yes, we have with and
19 without pretensioners for the retractors.

20 Q. The same thing.

21 Then, the next page {J1/1007/26}, "Buckle Market",
22 so these are buckles being compared, it seems?

23 A. Mm.

24 Q. I think you had left the PSA business unit at this time,
25 but I suggest to you what this shows is TRW engaging in

- 1 a comparison --
- 2 A. Yeah.
- 3 Q. -- of different products it supplies to the different
4 OEMs within each category?
- 5 A. Yeah, for me -- for me, okay, might not, but product are
6 very different, I would say. Why? Because for buckle,
7 for example, the head of the buckle is the same for
8 all -- for most of the customer, but the attachment
9 between the buckle and the car is specific to the car,
10 design of the car, design of the seat and performance
11 related to the crush of the car. So it's always very
12 specific. So, for me, to compare buckle, so the system
13 of buckle, from one customer to the other one, it's
14 giving some information, but it's very difficult if we
15 don't compare apple to apple exactly. It is never
16 the case.
- 17 Q. At paragraph 74, you talk about benchmarking studies
18 {D/1/18}. Can you explain what that is?
- 19 A. Yeah, benchmarking? Yeah. So what I understand is when
20 there is a new car in the field, what we are doing is we
21 buy -- we are going to the garage of the dealer and we
22 buy the component to have an analysis, engineering and
23 benchmarking analysis of this -- of this new product,
24 yeah.
- 25 Q. So you would have -- I say "you", TRW would have a very

- 1 detailed understanding of the differences between its
2 own products and those supplied by its competitors?
- 3 A. I can explain about my experience. I use
4 the benchmarking department to analyse some component in
5 the field from other competitor to understand not only
6 on the price, but also on the technical point of view
7 what are the benefit plus and minus of each product
8 there. So that's part of the understanding of
9 the business that we must have as salespeople.
- 10 Q. So as you explain, TRW would buy the competitors'
11 products and disassemble it, effectively?
- 12 A. Sometimes, yes, can happen, yeah.
- 13 Q. Yes. That was sometimes called a "tear down", do you
14 recall that?
- 15 A. Sorry?
- 16 Q. A "tear down"?
- 17 A. Yeah, yeah, we -- yeah, we have a specific department --
18 at this time we had a specific department to analyse
19 the part, yes. So they are making a complete
20 analysis --
- 21 Q. Could I just show you what looks like an example of
22 this, tab {J1/774/1}.
- 23 A. Mm-hm.
- 24 Q. Benchmark Knee -- I am afraid this is an airbag rather
25 than a seatbelt, but one sees, if you turn to {J1/774/6}

1 of this document the Kia airbag Sportage:

2 "Knee Airbag with LDP."

3 I will not ask you what that is, I am assuming you
4 are not an airbag person:

5 "Driver Side ...

6 "Supplier: Autoliv."

7 Then one sees on the next page, page {J1/774/7}, it
8 looks like it has been taken to pieces and analysed.

9 A. Mm.

10 Q. So TRW had a very good understanding of the differences
11 between its products and its competitors' products?

12 A. So, here, we are speaking about airbags so it's not my
13 product line, okay? I can speak about my product line.
14 We have a good understanding on seatbelt, yes, about our
15 product and the product from competition because we are
16 buying the part and analysing the part, yeah.

17 Q. As well as looking at margins on individual projects
18 through the CQA process, TRW would also look at its
19 total margins for individual projects -- sorry, I will
20 start that again.

21 As well as looking at margins on individual projects
22 as part of the CQA process, TRW would also look at total
23 margins across all customers for individual OSS
24 components; is that right?

25 A. I don't know. I don't know this one. I'm not part of

1 this investigation. I don't -- I manage my customer, my
2 product, and I'm in charge of this, so, yeah.

3 Q. I understand.

4 Can I show you a document to see if it helps
5 {J1/836/1}, page 3 {J1/836/3}, "Product Line
6 Overview - Global ORS", I expect that's occupant
7 restraint system?

8 A. Yes, it is.

9 Q. We have sales, contribution profit, contribution margin
10 and so on. But you were not involved in this, I think
11 you were saying?

12 A. At my level, no, I'm not involved in this kind of
13 analysis, no.

14 Q. Could we now look at paragraph 77 of your statement
15 {D/1/19}.

16 A. Yes.

17 Q. "I understand from the first email in that chain, sent
18 ... by Veronica Eriksson... the price increases referred
19 to in Mr Kohl's email might relate to 'increasing
20 Steel-prices'. As I was in charge of the entire PSA
21 seatbelt product line at the time, I would have been
22 involved [in] any price increase discussions with PSA.
23 However, I do not remember the issue of steel inflation
24 coming up in relation to seatbelts with PSA during this
25 period, and I do not recall getting any price increases

1 from PSA relating to steel inflation at this time."

2 Do you see that?

3 A. Yes, I see.

4 Q. Could I ask you to look at {J1/937/1}. I should perhaps
5 have read the beginning of that -- maybe I did.

6 The email you were talking about was dated
7 3 February 2005 in your statement {D/1/19}, because
8 the date is important. So that email is
9 3 February 2005, just to orient ourselves in time.

10 This document is the January 2005 "Customer
11 Development Monthly Report" {J1/937/1}; do you see that?

12 A. I see.

13 Q. To be fair, you were not here. Mr Metais was there,
14 bottom of the first list of distributees, and Mr Olivier
15 was there as well; do you see that?

16 A. Yes, I see.

17 Q. If you go on to {J1/937/5} in this document, at
18 the bottom, you will see there is a section in
19 the minutes about "PSA"?

20 A. Yeah.

21 Q. There are a number of headings, "Seat Belt Systems",
22 "Steering Wheel Systems", "Safety Electronics Systems"
23 and then "General":

24 "Material Increase: in final negotiation for steel
25 increase, PSA should make proposal next week and would

1 allow increase during February."

2 Do you see that?

3 A. Yes, I see. So, on this, just a comment from my side.

4 I was in charge of seatbelt, only seatbelt;

5 François Olivier was in charge of the full OSS product.

6 On seatbelt, we don't have material increase, material

7 price increase negotiation, but on the other product,

8 yes.

9 Q. So the issue of price increases may have come up in

10 relation to steel prices for steering wheels, are you

11 suggesting?

12 A. Material for ... magnesium, for example, on steering

13 wheels, yes, but material -- magnesium is --

14 Q. This document says:

15 "... final negotiation for steel increase ..."

16 Do you see that?

17 A. Steel -- steel increase on other product line, like

18 airbags, like ... but not -- not on seatbelt.

19 Q. Is there also steel in an airbag?

20 A. Yes, on the bracket, on the fixation.

21 Q. In any case, it is clear from this document, is it not,

22 that there was a discussion with PSA about negotiating

23 steel prices at the same time as the email you refer to

24 in paragraph 77?

25 (Question interpreted)

1 A. Yes, so ongoing -- discussion was ongoing on the steel
2 increase with PSA, but not related to seatbelt on my
3 product line, yeah. This is what I want to say.

4 THE CHAIRMAN: Sorry, Mr West, where do we find the email?

5 MR WEST: The email is at ... I was not proposing to take
6 the witness to the email as he was not a party to it.

7 THE CHAIRMAN: No, it does not matter. It is just at some
8 point if we could have the reference to it.

9 Sorry, Mr West, I do not want to take you out of
10 your course.

11 MR WEST: I do not want to labour this, Mr Drouin, but what
12 you say is {D/1/19}:

13 "As I was in charge of the entire PSA seatbelt
14 product line at the time, I would have been involved
15 with any price increase discussions with PSA. However,
16 I do not remember the issue of steel inflation coming up
17 in relation to seatbelts."

18 Are you saying that it may have come up in relation
19 to other items but not seatbelts?

20 A. I'm saying that the steel negotiation was not affecting
21 the seatbelt in my period of time, so I don't negotiate
22 steel increase for my product. That's what I'm saying.

23 MR WEST: Sir, I now have the reference. It is {J1/56/1}.

24 THE CHAIRMAN: Thank you.

25 MR WEST: Could you now look at {J1/708/1}. You will see,

1 over the page {J1/708/2}, the second page of this, at
2 the bottom is an email from Mr Metais, who was the boss
3 of your boss.

4 A. Yes.

5 Q. "We have obtained from PSA Purchasing an approval for
6 50% of Metal Change index for Rare Earth increases.

7 "We have refused, requesting 100%."

8 Then, if you skip down to the line:

9 "I try to manage other Steering suppliers to refuse
10 50% on Rare Earth."

11 So I accept you did not see this document at the
12 time, but it looks like Mr Metais is trying to agree
13 with the other steering suppliers that they will all
14 refuse 50% and insist on 100%; do you see that?

15 A. Yes, just a comment. Here, it's related to the rare
16 earth increase and it's very specific to manganese, for
17 example, that you can find on steering system, for sure
18 not in seatbelt.

19 Q. I accept that, Mr Drouin. This is about hard earth --
20 sorry, rare earth metals for steering systems, but did
21 Mr Metais ever make you aware that he was having
22 discussions of this kind in relation to raw material
23 price increases, whether in relation to rare earth
24 metals or anything else?

25 A. I don't remember. As -- as it was really focused on

1 steering -- it was focused on steering, not on my
2 product, so really I don't remember that I was aware
3 about something like that from Thierry Metais, sorry.

4 Q. Then could you look at {J1/1098/1}. So this is relating
5 to seatbelts, although it is in 2009. If we look at
6 {J1/1098/2} of this document, "Background PSA Market
7 Pricing":

8 "PSA Wx (Award 2007) Autoliv ..."

9 There is a price there, 62,60€ versus TRW 72,98€:

10 "PSA B7 (Award ...) Takata: 61,50€ ... vs TRW
11 73,56€ ..."

12 If one goes through the document, it continues in
13 a similar vein setting out prices for Takata and Autoliv
14 prices as supplied to PSA.

15 Are you able to cast any light on how TRW would have
16 got this information?

17 A. So, here, we're speaking about a document from
18 Marc Delaët. Marc Delaët replaced me after my period
19 for OSS in 2009, okay? What I guess here is it's
20 analysis, we know, especially on the business that we
21 lost, the price level where we lost, especially because
22 PSA purchasing people are giving us the information,
23 what was a gap in percentage versus ZF/TRW offer. So we
24 are -- it's part of ZF salespeople investigation to
25 understand what was the limit where we lost thanks to

1 the information that we collect during the RFQ process
2 from our offer in discussion with the PSA buyer. So
3 it's really the internal understanding of the RFQ, yeah,
4 process.

5 Q. So you say that this very precise information came from
6 PSA?

7 A. For as an example, if the buckle in the system --
8 seatbelt system we are making an offer at €10,
9 the customer will say you are 2 or 3 or 5% off the best
10 offer, so we know how to calculate the price where we
11 lost, the price of the awarded business where we lost.
12 But here, my understanding is assumption, of course.
13 But it's a very key parameter to know, to understand, to
14 investigate about what was the awarded price thanks to
15 discussion with the purchasing people of PSA, yeah.

16 Q. Could you look now at {J1/707/1}. This is an email from
17 Mr Markowsky, who you mentioned earlier.

18 A. Mm.

19 Q. We see it is sent to various people, including
20 Mr John Plant, we see at the end "Plant" and in the next
21 line "John". Indeed it is addressed to John Plant:

22 "John, please give us a chance to reestablish our
23 sense of honour. The information I got from different
24 Autoliv individuells are the following:

25 "Givebacks Autoliv 2004."

1 Then the figures for BMW, DaimlerChrysler, GM/Opel,
2 Ford, PSA/Renault, Volvo and Volkswagen.

3 Now, you address this in your statement at 78 to 80
4 {D/1/19}, but you were not copied in to this email at
5 the time, were you?

6 A. No, no, not at all no.

7 Q. You did not see it at the time?

8 A. At that time, no.

9 Q. I suggest to you you are not therefore in a position to
10 give any evidence about it.

11 (Question interpreted)

12 A. No, I don't understand this kind of email. For me,
13 there is no sense about that.

14 Q. Sorry, could you repeat that?

15 A. I don't understand this kind of statement, this kind of
16 email, yeah.

17 Q. You do not understand it?

18 A. No.

19 MR WEST: In paragraph 78 to 80, Mr Drouin speculates about
20 what this email might say or mean, but given that he
21 said he did not see it at the time, I am not proposing
22 to engage with him in an argument about the proper way
23 to read it.

24 THE CHAIRMAN: Sorry, I apologise, Mr West, I am just
25 reading the document. Could you just say that again.

1 MR WEST: Paragraph 78 to 80 of his statement --

2 THE CHAIRMAN: Yes.

3 MR WEST: -- Mr Drouin engages in various speculations about

4 what this document might mean.

5 THE CHAIRMAN: Yes.

6 MR WEST: Given that he has accepted he did not see it at

7 the time, I propose not to engage in an argument with

8 him about it.

9 THE CHAIRMAN: No, I understand your position, Mr West.

10 MR WEST: Thank you, Mr Drouin.

11 A. Thank you.

12 MS FORD: No re-examination.

13 THE CHAIRMAN: Thank you, Mr Drouin, you are released from

14 your oath. Thank you for giving evidence.

15 Thank you also.

16 (The witness withdrew)

17 MS FORD: I call Mr Arango, please.

18 MR LEVI ARANGO (affirmed)

19 (All answers given in English unless otherwise indicated)

20 THE CHAIRMAN: Thank you. Please take a seat.

21 Examination-in-chief by MS FORD

22 MS FORD: Mr Arango, can we look at {D/2/1}, please. Is

23 that your first witness statement in these proceedings?

24 A. Yes, it is.

25 Q. Within this tab, can we go to {D/2/16}, please. Is that

- 1 your signature?
- 2 A. Yes.
- 3 Q. Then please can we go to {D/7/1}. Is that your second
4 witness statement in these proceedings?
- 5 A. Yes, it is.
- 6 Q. Within that, can we go to {D/7/3}, please. Is that your
7 signature?
- 8 A. Yes, it is.
- 9 Q. Can we then go to {D/8/1}, please. Is that your third
10 witness statement in these proceedings?
- 11 A. Yes, it is.
- 12 Q. Within that, please, page {D/8/3}. Is that, at
13 the bottom of the page, your signature?
- 14 A. Yes, it is.
- 15 Q. Are the contents of your statements true to the best of
16 your knowledge and belief?
- 17 A. Yeah, they are.
- 18 MS FORD: Thank you, Mr Arango.
- 19 Cross-examination by MR WEST
- 20 MR WEST: Good morning, Mr Arango.
- 21 A. Good morning.
- 22 Q. Could we start with your role, just to be clear what it
23 was. You joined TRW in 2004 as an account manager for
24 Renault-Nissan in passive safety?
- 25 A. Correct.

1 Q. So that is OSS, what we have been calling "OSS"?

2 A. Yes.

3 Q. Then in 2012 you became the account manager, again for
4 Renault-Nissan, but this time for active safety?

5 A. That's correct.

6 Q. That is things like braking systems?

7 A. Yeah.

8 Q. Then in 2019 you became the account director -- so that
9 was a promotion -- for passive safety this time with
10 the PSA account; is that right?

11 A. For PSA account, yes.

12 Q. PSA.

13 That was in 2019, and effectively you retain that
14 role to this day but with a different title; is that
15 correct?

16 A. There -- there were two titles. It was the account --
17 the account manager or senior sales manager.

18 Q. But in substance the same role?

19 A. Yeah, yeah.

20 Q. Now, this case is concerned in particular with
21 the period 2002 to 2011; do you understand that?

22 A. Mm-hm.

23 Q. In particular with contracts concluded during that
24 period, although they could run on for a number of years
25 afterwards. At that time, as you confirmed, you were

1 the account manager for Renault-Nissan --

2 A. Mm-hm.

3 Q. In passive safety; that is right, is it not?

4 A. Correct.

5 Q. So you were not involved in the PSA account at all?

6 A. No, I was not.

7 Q. Your responsibility within Renault-Nissan was for
8 airbags, steering wheels and electronics; is that right?

9 A. And seatbelts also. It's not mentioned, but, yes.

10 Q. And seatbelts?

11 A. And seatbelts. And then I was mainly focusing on -- on
12 seatbelts. So when I joined, I was responsible for --
13 for -- for airbags and electronics, but I was in charge
14 of one project where there was also the seatbelts, so
15 I was dealing with the seatbelts. After maybe one year
16 after, I was only responsible for the seatbelts. So
17 there was a bit evolution in my -- in my role.

18 Q. So when you say at paragraph 7 {D/2/2}:

19 "In 2004, I joined ZF as an Account Manager for
20 Renault-Nissan in the Passive Safety Division, where
21 I was principally in charge of airbags, steering wheels
22 and electronic products."

23 Do you wish to change that?

24 A. No, it's -- it's correct, I was responsible for those
25 ones, but they asked -- they asked me also to -- to work

1 on some -- some seatbelts. But the main responsibility
2 was on steering wheels and airbags.

3 Q. Was there someone else who had the main responsibility
4 for seatbelts?

5 A. There was another lady that was also in charge of
6 seatbelts with me, yes. So it was ...

7 Q. So your seniority or your role in the Renault-Nissan
8 business unit was broadly equivalent to Mr Drouin's role
9 in the PSA business unit at the same time; is that
10 right?

11 A. That's correct.

12 Q. What was known, at that time, as an account manager?

13 A. Yes.

14 Q. But you were not an account director?

15 A. No.

16 Q. Or a global account director?

17 A. I was account manager.

18 Q. Although you now are an account director, in effect --

19 A. Sorry?

20 Q. -- since 2019?

21 Since 2019, you have been an account manager?

22 A. Since 2019, I'm the -- the account director, yes, for
23 Europe.

24 Q. So the person whose role in the PSA account, at the
25 time, corresponds to the role you now hold would have

1 been Mr Olivier; is that right?

2 A. Yes.

3 Q. He reported, as we have heard, to Mr Metais?

4 A. Correct.

5 Q. Your role, prior to 2011, in the Renault-Nissan business
6 unit was a sales role, is that right, rather than
7 a technical role?

8 A. Yes, yes.

9 Q. Sales.

10 Could we look at your third witness statement, your
11 recent witness statement {D/8/1}. If you look at
12 paragraphs 6 to 10 of that statement {D/8/2}, are you
13 familiar with that?

14 A. Yes.

15 Q. Now, you are talking here about a situation where there
16 is a change in the technical specification of a product
17 which leads to a change in the part number without an
18 RFQ; is that right?

19 A. Yes.

20 Q. If you look at the example you give in paragraph 10
21 {D/8/3}, this is a seatbelt example; is that right?

22 A. That's correct.

23 Q. It concerns a seatbelt supplied to PSA?

24 A. Mm-hm.

25 Q. In 2012, it looks like?

1 A. It's the project A51.

2 Q. A51?

3 A. Yeah.

4 Q. In 2012?

5 A. I don't know for the -- for the date, as I was not in
6 charge of the PSA account. Well, I know it's -- this is
7 for A51, sorry.

8 Q. But you do not know the date?

9 A. No, I don't know the date.

10 Q. Well, if you look at tab 10 of your third witness
11 statement, it says:

12 "This extract shows both TRW and PSA's [part
13 numbers] and how the original [part numbers] were
14 replaced by modified [part numbers] in 2012 ..."

15 A. Ah, yes, it's true. It's true. It's true.

16 Q. But it is not something you --

17 A. No, no, no --

18 Q. -- actually know?

19 A. No, no, no, it's true. It's mentioned in the -- in
20 the drawing, so it's correct. It's correct.

21 Q. You were not on the PSA account in 2012?

22 A. I was not, no.

23 Q. This is a technical change, as we see?

24 A. Mm-hm.

25 Q. Whereas you have just told us your role was a sales

1 role?

2 A. That's correct.

3 Q. So, again, this is not the sort of change you would have
4 been involved in, is it?

5 A. So, the -- the part number change is mentioned -- is
6 managed by engineering, so it's engineering from
7 the customer and engineering from the supplier that will
8 -- that will discuss together and they will decide
9 whether they need, or not, to make the change of part
10 number, and of course, if there is a change of part
11 number, we will be -- we, sales, will be involved, as
12 well as purchasing, because there is a cost associated
13 to this change.

14 Q. But you have exhibited detailed technical drawings. It
15 was not your role to deal with detailed technical
16 drawings of that kind, was it?

17 A. It was not my role to -- to manage the technical
18 details, no.

19 Q. No.

20 Going back to the example you give at paragraph 10,
21 on this drawing, there is a green arrow and beside that
22 some words:

23 "First change of P/N for design change (tongue
24 stopper)."

25 A. Mm-hm.

1 Q. Then:

2 "Second change of P/N for new design change

3 (connector change)."

4 Again, you were not involved in any of that at the

5 time?

6 A. I was not involved on --on those ones, no.

7 Q. So somebody has just told you to say this?

8 A. No, it's -- so I have -- I have been asked to -- to show

9 examples of design changes that led to part number

10 changes, so I have asked our engineering to give me some

11 examples from this period.

12 Q. I think you are answering "yes", this is something that

13 someone else has given you to say rather than something

14 you are personally familiar with. So you are saying

15 the engineering person has given you this information?

16 A. So can you repeat, sorry, the question?

17 Q. This is information that you have got from

18 the engineering person?

19 A. It's information that I got from engineering, yes.

20 Q. If you go back to paragraph 6 of your third statement

21 {D/8/2}, you say that customers might make changes to

22 OSS parts during their serial life, and at paragraph 7

23 you say:

24 "Where there is such a modification ... it is likely

25 ... there will be a change to [the part number] ..."

1 Again, so far as relates to PSA's account in
2 the period we are concerned with here, that is not
3 something which you are personally familiar with?

4 A. So this situation is not specific to -- to PSA; it's
5 common that we need to manage the part numbers. We --
6 the supplier I mean, we need to manage the part numbers,
7 and if there is a design change, there might be a --
8 the part number change, so nothing specific to -- to
9 a customer.

10 Q. Again, I think your answer is "yes", so far as concerns
11 PSA's account at the time these proceedings are
12 concerned with, that is not something you are personally
13 familiar with?

14 A. Yes.

15 Q. I note that paragraph 7 says:

16 "ZF and PSA each have their own part numbers ...
17 Where there is a modification to the product ... it is
18 likely that there will be a change to these [part
19 numbers], including a change in PSA's [part number] for
20 that part."

21 So this is evidence specific to PSA, yes?

22 A. This is not specific to PSA.

23 Q. It is not?

24 A. It's not specific to PSA.

25 Q. So do you want to change that paragraph of your

1 evidence?

2 A. It is right for PSA, but not only for PSA.

3 Q. At the end of paragraph 7, you say, in the case of a
4 minor modification:

5 "... like a sticker change, only the 'index' ...
6 might be updated ..."

7 So that is very minor modifications.

8 Then at paragraph 8 you say there is not a new RFQ,
9 although, as you have told us, the sales team would get
10 involved in renegotiating the price in such a case; is
11 that right?

12 A. If there is a change, we'll always be -- be involved,
13 yes.

14 Q. Now, Mr Arango, I have got some new documents to ask you
15 to look at. I am afraid these were not on the list we
16 provided to you last week, because we had not had your
17 new statement then. Could Mr Arango be shown the two
18 coloured documents, handed up?

19 THE CHAIRMAN: Has he had a look at them yet?

20 MR WEST: Oh, I do not know. This were emailed to my
21 friends last night, I believe.

22 THE CHAIRMAN: Right, okay.

23 A. Yes, I - I had a look -- a quick look at the documents.

24 THE CHAIRMAN: Do they need to be handed up, Mr West, or are
25 they already in the witness box?

1 MS FORD: Mr Arango, do you have them in your bundle?

2 (Pause)

3 I understand they may be at the end, Mr Arango.

4 A. Okay.

5 (Pause).

6 Okay, yeah.

7 MR WEST: So there should be two documents (indicates),
8 which both look very similar, apart from one is in
9 English {J1/1112/1} and the other has one column in
10 French {J1/1111/1}; do you see that?

11 A. Yeah.

12 Q. I would prefer to work from the English version, if you
13 do not mind, but they are the same, apart from
14 the translation.

15 A. Mm-hm.

16 Q. If I can explain what this is. This is an extract from
17 the PSA data that the economists are looking at in this
18 case. In particular, it is a list of technical
19 modifications to steering wheels, and my instructions
20 are that these are changes to the technical
21 modifications of the steering wheels which did not
22 result in a change to the part number.

23 A. Okay.

24 Q. We can see in this document, if you go along to
25 the seventh column:

1 "Amendment Definition.

2 "Technical modification."

3 I think that is the same in every entry.

4 A. Mm-hm.

5 Q. In each case, there is "Buyers' comments", so there is
6 some commentary on this, and some of them make more
7 sense than others, but if one looks at the first one
8 {J1/1112/1}:

9 "Debit or credit advice to be sent to you for
10 retroactive effect ... Ecotech, Hardware VCI (steering
11 wheel control) and productivity VCI rank 2 ..."

12 So rather technical language there, but it appears
13 that a technical change is being made to that steering
14 wheel; do you see that?

15 A. I -- I see it, yeah.

16 MR WEST: If I just show you one or two further examples of
17 this. On the third page -- just to explain the colours,
18 some of these changes relate to the same part, so if one
19 has several changes concerning the same part, and so we
20 have put those in the same colour to try and
21 differentiate them from changes to other parts.

22 THE CHAIRMAN: Sorry, just say that again, Mr West?

23 MR WEST: So where one has adjacent entries in the same
24 colour, that is because it is the same part being
25 modified on different occasions.

1 THE CHAIRMAN: If they are adjacent?

2 MR WEST: If they are adjacent and in the same colour.

3 THE CHAIRMAN: Yes, I understand.

4 MR WEST: If you look down then at the third page --

5 THE CHAIRMAN: What do the colours signify otherwise?

6 MR WEST: Nothing.

7 THE CHAIRMAN: Right.

8 A. So -- so the same colour means they're the same part?

9 MR WEST: Sorry, could you ask that again?

10 A. The same colour means the same part?

11 Q. Yes.

12 A. With different part number and different supplier?

13 THE CHAIRMAN: I think you said, the same part when they are

14 next to each other.

15 MR WEST: When they are next to each other and the same

16 colour --

17 A. Ah, they are next, okay, okay.

18 Q. -- it is the same part.

19 A. Okay.

20 Q. So if you look at page 3 of this {J1/1112/3}, on

21 the fourth row down one can see the "Buyers' comments"

22 there:

23 "Rider C ... increase in reinforcement +

24 packaging ... Ecotech linked to the removal of the metal

25 reinforcement."

1 Would you understand "Ecotech" as a term?

2 A. Yes, I think, yes.

3 Q. We have been talking in this case about "VA/VE". Is
4 that the same concept?

5 A. Yes.

6 Q. Over the page, page 4 {J1/1112/4}, if one looks at
7 the fifth column down:

8 "Technical change FETE - cast iron to satin chrome
9 change. Reduction -0.20 EUR."

10 THE CHAIRMAN: Sorry, you have lost me, Mr West.

11 MR WEST: So this is page 4.

12 THE CHAIRMAN: Page 4.

13 MR WEST: The fifth row.

14 THE CHAIRMAN: You said "column".

15 MR WEST: "Increase in reinforcement packaging ..."

16 Then there are some codes:

17 "... Ecotech linked to the removal of the metal
18 reinforcement."

19 A. I think this -- this one is -- is linked to packaging,
20 so nothing to do with the -- the final product,
21 the steering -- the steering wheel, it's more with
22 the packaging.

23 Q. What about the next one down?:

24 "Technical change FETE - cast iron to satin chrome
25 change."

1 A. So this one might be the -- the cosmetic, the appearance
2 of the -- the steering wheel.

3 Q. Yes. I will not take too long on this, but if one goes
4 over to page 5 {J1/1112/5}, the second entry:

5 "Alternative micro controller implementation FETE
6 ... Micro controller: Microchip ..."

7 Do you see that? So it looks like a different
8 micro controller?

9 A. For which line, sorry?

10 Q. Sorry, the second line down on page 5 in, sort of,
11 orange colour.

12 A. So this one is related to -- to Autoliv, so I can't
13 comment on this one.

14 Q. Sorry, could you say that again?

15 A. It's related to Autoliv, so I don't know what is behind.

16 Q. Ah, okay.

17 Then the last one, I imagine you will say the same.

18 The last one on this list:

19 "... BOM [bill of material] impact ... decoparts
20 coating changed ..."

21 What I suggest to you is that these are technical
22 modifications of the kind you talk about in paragraph 6:
23 changes of colour, changes of raw material, adding
24 different microchips and so on; would you agree with
25 that?

1 A. So they are -- they are technical changes that, what
2 I understand from this document, did not affect the part
3 number, but for sure there is a reason why there was not
4 modification of the part number.

5 Q. But you accept there was no modification of the part
6 number in these cases?

7 A. I do accept.

8 Q. It does not just involve the change of information on
9 a sticker, for example?

10 A. So when there is a -- a modification, there are
11 different types of modification, there are some
12 modifications that might affect the performance of
13 the product and some modifications that will not affect
14 the performance of the product, so it will be
15 the engineering who will decide whether there is a need
16 or not to modify the part number. Of course, if they
17 modify, there is a cost, so they will try to avoid
18 modifying the part number.

19 For sure, we need to check that there is -- there is
20 -- if there is a modification, we need to -- to check if
21 it will be possible to -- to use this modified product
22 on all vehicles, I mean the new ones, the ones that will
23 be produced, but also the ones that have been produced,
24 because if a customer comes and wants to change, for
25 instance, a steering wheel, he wants to have the same

1 steering wheel, so if we have the same part number for
2 different product, he will not accept it. So it's -- we
3 need to make sure that there is no impact on the -- on
4 the steering wheel here.

5 Q. Where do you explain that in your statement?

6 A. Sorry?

7 Q. Where do you explain that in your third statement?

8 A. In my statement, I was not requested to go so much into
9 the details, because, again, it's -- it's a topic for --
10 for engineering.

11 Q. What I suggest to you, Mr Arango, is that during
12 the period at issue in this case there were often
13 changes to the technical specifications of OSS
14 components supplied to PSA without any change to
15 the part number. I think you agree with that?

16 A. I cannot fully agree, because there are some changes
17 where there was part number changes. There were
18 modifications, as I've shown in my -- in my statement,
19 where there were part number changes. Like, for
20 instance, on the seatbelts, when the customer has
21 decided to change the -- the tongue stopper, it led to
22 a part number change, or when they have decided to
23 change the connector on the lead wire, that led to
24 a part number change.

25 Q. Because that is what the engineer explained to you?

- 1 A. No, it's because it's -- it happens on all projects.
2 It's not specific for -- for -- for one project, it
3 happens for all projects during the -- the serial life.
- 4 Q. I am told Mr Hughes has calculated that of the 67 PSA
5 steering wheel contracts in this case, 27 of them, which
6 is about 40%, have at least one technical amendment
7 without a change to the part number. Are you in
8 a position to comment one way or the other on whether
9 that sounds accurate?
- 10 A. Well, in this document, what is missing is the SOP,
11 because if you do a modification before SOP, you will
12 not modify the part number, there is no need to modify
13 the part number because you are in the development
14 phase. But after SOP, it's questionable. You might
15 need to change the part number or not, so there will be
16 a discussion.
- 17 Q. I should have said, these changes are only during serial
18 production.
- 19 A. Okay.
- 20 Q. I should have explained that.
21 One sees in some of these entries a reference to
22 something called "FETE", are you familiar with that
23 terminology?
- 24 A. Yes. Yes, it's a Fete, yes.
- 25 Q. A Fete, which is a French acronym, I believe?

1 A. I don't know the meaning of the acronym, it's a design
2 change, ECR, engineering change request.

3 Q. But -- yes, it is equivalent to an engineering change
4 request?

5 A. Mm-hm.

6 Q. I think it may be "fiche evolution technique et
7 economic".

8 A. Okay, yes.

9 Q. Does that sound right?

10 A. Yes.

11 Q. I am afraid I am not in a position to give you
12 the equivalent document for airbags or for seatbelts in
13 the time we have had available, Mr Arango.

14 A. It will be the same for -- for the other product lines.

15 MR WEST: Gentlemen, that was all I was proposing to put to
16 Mr Arango about his third statement. I have prepared
17 some questions for Mr Arango about siloing and so on, in
18 case, for example, there was a change in the order of
19 witnesses. It might be sensible if we rise now and
20 I take the opportunity to consider how much, if any, of
21 that I actually need to put to him, given I have put it
22 all to Mr Drouin already.

23 THE CHAIRMAN: Sure. Yes, I mean, there is no need putting
24 the same documents to each witness, for sure.

25 MR WEST: Sorry, can I have one second. (Pause).

1 Thank you.

2 THE CHAIRMAN: How are we doing on time generally, because
3 we are not able to sit late tonight, so I just wanted to
4 find out how you were --

5 MR WEST: We are doing well.

6 THE CHAIRMAN: You are doing well.

7 (12.58 pm)

8 (The short adjournment)

9 (2.01 pm)

10 THE CHAIRMAN: Mr West.

11 MR WEST: Mr Arango, I just have one or two further
12 questions for you. One concerns a point where you seem
13 to say something slightly different to Mr Gravell about
14 the different levels of authorisation for quotes. So if
15 we could look at paragraph 35 of your statement, and can
16 we look at this in the confidential version. I will be
17 careful not to read it out, but some of it is marked as
18 confidential. So this is {D-IR/2/1} and it is
19 paragraph 35 on {D-IR/2/9}.

20 (Pause).

21 (2.04 pm)

22 (A short break)

23 (2.10 pm)

24 MR WEST: Mr Arango, I was drawing your attention to
25 paragraph 35 of the confidential version of your first

1 statement {D-IR/2/9}.

2 A. Mm-hm.

3 Q. There are some figures here which are marked yellow, so
4 I will not read those out, please do not read those out,
5 please, but we see here you saying -- this is -- these
6 are the various thresholds for authorising quotes. So
7 if the project is valued below that figure in 35.1, it
8 needs to be approved by the business unit head.

9 Then 35.2, between those figures:

10 "... it needs to be presented at a global CQA
11 meeting and approved by the Executive Vice President ...
12 for the Passive Safety Division ..."

13 Then, if valued more than that figure, "the quote
14 has to be approved by the Board of ZF".

15 I was just wondering, there seems to be
16 a discrepancy between that and what Mr Gravell says
17 about the same subject. So this is bundle D, so this is
18 the non-confidential bundle, tab 5 {D/5/1}. He says at
19 18 {D/5/4} -- and these figures are not marked as
20 confidential.

21 "If the business case was approved by the head of
22 ... division and was below USD 25 million, the sales
23 team would ... take over."

24 So there we have the same individual, I think,
25 the business unit head, but a different figure.

1 Then, at 19 {D/5/5}, he says:

2 "For business cases worth USD 25 million or more,
3 the CEO would have to review them ..."

4 So there we seem to have a different figure and
5 a different person who has authority to authorise this,
6 so I was just wondering if you could cast light on why
7 you seem to say different things?

8 A. The figures I am sharing in my statement, they are for
9 the current process.

10 Q. So you are saying Mr Gravell's figures are historical
11 figures?

12 A. I -- I guess, yes.

13 Q. Okay, I understand. Well, I can ask him about that as
14 well.

15 Just one other brief point. You do refer to
16 the notion of bespoke products in paragraph 60
17 {D-IR/2/14}, but could I just show you one document
18 about that, which is tab {J1/796/1}. So this is a TRW
19 battle plan -- "Sales Battle Plan System", in relation
20 to Renault, as we see under "Customer Details:
21 Renault-Nissan", towards the top in the middle. So this
22 is from 2007, so this is from your time in
23 the Renault-Nissan business unit; is that right?

24 A. That's correct.

25 Q. Indeed, I think we see your name referred to, if you

1 look in the bottom right, there are a number of revision
2 numbers, and your name appears on one of them?

3 A. Mm-hm.

4 Q. Mrs Laurent, so she seems to have -- is this right, she
5 has moved over from PSA to Renault by this time?

6 A. (No audible response).

7 Q. If you go over to page {J1/796/3} of this document,
8 under "Cost competitiveness", there is a number of
9 action points. I think it is the third one that starts:

10 "Rework R&D costs to optimise them by doing
11 carry-over [development] costs from other programs."

12 So that suggests that for this project there was
13 a suggestion that R&D development costs from other
14 programmes could be reused for this particular project;
15 is that right?

16 A. We can reuse some -- some test results for a particular
17 project, yes.

18 Q. If you then go down to about a third of the way up from
19 the bottom, you will see a line that starts:

20 "Standardisation of retractor interface [account]."

21 Do you see that?

22 A. That's on the top?

23 Okay, yes.

24 Q. "To Renault request: different than TRW standard
25 interface."

1 Then:
2 "Comparison between RSA and Nissan specs in order to
3 commonise product designs -- Check specs compliance
4 [to] TRW products."

5 So does that suggest there was also an attempt to
6 standardise the retractor interface as well?

7 A. Yes.

8 Q. Sorry, I should have shown you, at the top of the page
9 here, the same page, it says -- and this is another
10 action plan in relation to the buckle this time:

11 "Get 'PSA easy latching buckle design' acceptance."

12 Do you see that?:

13 "Organise meeting with RSA to present an update of
14 TRW product portfolio - Discussion with Renault to
15 define the needs for B [portfolio].

16 "Easy latching buckle: comparison with PSA
17 development request for X86: get Renault acceptance for
18 X86."

19 So that, again, suggests that you are trying to
20 reuse a PSA product on this Renault project; is that
21 right?

22 A. We are trying to reuse the covers of the buckle. It's
23 not the complete product, it's just the covers of
24 the buckle, the top of the buckle.

25 MR WEST: I have no further questions, Mr Arango.

1 MS FORD: Nothing.

2 THE CHAIRMAN: Thank you very much, you are released from
3 your oath.

4 A. Thank you.

5 THE CHAIRMAN: Thank you for giving evidence.

6 (The witness withdrew)

7 MS FORD: Sir, we call Mr Spiess, please.

8 MR OLIVER SPIESS (affirmed)

9 (All answers given in English unless otherwise indicated)

10 Examination-in-chief by MS FORD

11 MS FORD: Please could you look at {D/3/1}. Is that your
12 witness statement in these proceedings.

13 A. Yes, it is.

14 Q. Within that tab, please, page {D/3/8}. Is that your
15 signature?

16 A. Yes, it is.

17 Q. Are the contents of your statement true to the best of
18 your knowledge and belief?

19 A. Yes, it is.

20 MS FORD: Thank you.

21 Cross-examination by MR WEST.

22 MR WEST: Afternoon, Mr Spiess.

23 A. Hello, Mr West.

24 Q. Can I start again with your role, just so we can be
25 clear about that. You were at Petri, I believe, from

- 1 1994 to 2001; is that right?
- 2 A. That is correct.
- 3 Q. That was in relation to OSS products specifically,
4 was it?
- 5 A. That is correct, yes.
- 6 Q. Including after Petri was acquired by Takata in about
7 2000?
- 8 A. That is correct.
- 9 Q. You then joined GM Holden in Australia between 2001 and
10 2008, GM Holden was an Australian car maker which was
11 owned by GM; is that right?
- 12 A. That is correct.
- 13 Q. Then you moved, in 2008, to TRW's office in Vigo in
14 Spain to an engineering role on the GM account; is that
15 right?
- 16 A. That is correct, yes.
- 17 Q. You were there for two years before returning to
18 GM Holden in Australia in 2010?
- 19 A. Yeah, for two and a half years, yes.
- 20 Q. That is right, you were there for about two and a half
21 years according to your witness statement.
- 22 You then moved around a bit to Ford and Performax
23 before rejoining TRW in 2014?
- 24 A. That is also correct, yes.
- 25 Q. As director of product strategy and business development

- 1 for the GM account?
- 2 A. Correct.
- 3 Q. I do not think you say in your witness statement where
- 4 that was. Where was that role?
- 5 A. I was supposed to be originally in Detroit, where I am
- 6 today, but the first year I was in Koblenz and then,
- 7 after a year, I moved to Detroit in the same role.
- 8 Q. Then, in 2020, you moved to what is I believe your
- 9 current role as head of technical key account
- 10 management; is that right?
- 11 A. That is correct, yes.
- 12 Q. That is the role you still hold?
- 13 A. Correct.
- 14 Q. So that is a long CV, but so far as concerns the period
- 15 that we are concerned with in this case, 2002 to 2011,
- 16 you were only at TRW between 2008 and 2010; is that
- 17 right?
- 18 A. That is correct.
- 19 Q. You were not in a sales role at that time, but in an
- 20 engineering role?
- 21 A. That is correct as well, yes.
- 22 Q. You tell us in paragraph 13 of your statement that you
- 23 were not involved in pricing discussions at that time
- 24 {D/3/4}; is that right?
- 25 A. That is correct, because my role was purely engineering.

1 Q. You say something similar at paragraph 24, where you
2 tell us you were not involved in negotiating prices with
3 GM {D/3/6}; is that right?

4 A. That is correct, yes.

5 Q. The individual who was involved in pricing discussions
6 with GM within TRW's GM business unit at that time would
7 have been Mr Gutierrez; is that right?

8 A. Ramiro Gutierrez was the account director for OSS at the
9 time, between 2008 and 2010, and his team, his account
10 managers, like Mr Drouin, Mr Arango's counterparts in
11 the GM team.

12 Q. So you say he was the account director, so there may
13 have been account managers under him --

14 A. Correct.

15 Q. -- in the same way we have heard?

16 A. Yes.

17 Q. So, Mr Spiess, I think this is going to be a very short
18 cross-examination because you were simply not involved
19 in the relevant business activities at the time, were
20 you?

21 A. If you talk about the pricing negotiations, no, I was
22 not. I was responsible for making sure that our
23 technology we offered to the customer is qualified and
24 represents the best possibility for our sales team to
25 win the business.

1 Q. I understand.

2 Although you were not involved in the pricing, you
3 do say something about it at paragraph 25 of your
4 statement {D/3/6}.

5 A. Mm-hm.

6 Q. You say, in the second sentence of that, tab 3,
7 bundle D, page 6:

8 "Ultimately, GM had its own commodity strategy and,
9 if a supplier performed badly, GM would push them down
10 as much as possible and ask a technically qualified
11 competitor to source at a cheaper price."

12 Again, that is not something you are saying based on
13 your experience on the GM account between 2008 and 2010?

14 A. My experience includes hearsay from my colleagues and
15 experiences from the business we won or we lost, plus
16 I -- as you recall, I did work at GM as well and was
17 involved in those discussions at that time.

18 Q. Could I just ask you about one or two documents that you
19 may or may not be able to cast any light on. One is
20 {J1/692/1}. This is quite a long document. If we go to
21 internal page 35 {J1/692/35}, you will see there are two
22 emails on this page, and the bottom one is from
23 Mr Hylton to Mr Guillermo Barth at Dalphi Metal. Mr
24 Hilton says:

25 "Hi Barth,

1 "Do you still remember me? Alan Hylton from
2 Takata-Petri."

3 This is in 2003, as you see. Now, you had been at
4 Takata-Petri until, I think you told us, 2000 or 2001.
5 Did you know Mr Hylton?

6 A. No, I don't remember him. It's the first time I see
7 that name two days ago, three days ago.

8 Q. He says:

9 "We met on a few occasions to secure 'some kind of
10 a deal' that would safe guard our respective profit
11 margins against the mighty Opel."

12 That is sent to Mr Guillermo Barth, and you will see
13 that Mr Barth then, in the top email in this chain,
14 forwards it on to Mr Ramiro Gutierrez, who we mentioned
15 a moment ago; do you see that?

16 A. Yeah, I can see that, yes.

17 Q. Were you ever aware that these kind of discussions were
18 going on between Takata-Petri and Dalphi Metal?

19 A. No, both during my time at Takata-Petri or in my time
20 later on at TRW or at that time I was at GM I was not
21 aware of those discussions, no.

22 Q. Mr Ramiro Gutierrez never raised this with you?

23 A. No, he did not.

24 Q. Although, as you say, he became the account director for
25 the GM account at TRW?

1 A. That is correct. That was after TRW acquired
2 Dalphi Metal, so that email is from a time when
3 Dalphi Metal was a standalone company.

4 Q. Still on the subject of Dalphi Metal, at paragraph 20 of
5 your statement, if we could look at that {D/3/5}, you
6 devote a paragraph here to Dalphi -- a paragraph or two
7 to Dalphi Metal:

8 "In the 1990s, Dalphi Metal emerged as an important
9 OSS supplier on the market, offering very good services
10 and technologies that were comparable to its competitors
11 at cheaper prices and, in 2004, GM awarded Dalphi Metal
12 a large global contract for the Epsilon II platform,
13 which was one of the largest platforms at GM."

14 So you appear to be suggesting there that
15 Dalphi Metal was an important competitor at that time;
16 is that what you are saying?

17 A. As I stated, at the beginning of the 2000s, that name
18 came forward. I was in Australia at the time and we
19 normally dealt -- our supplier, local supplier was
20 Autoliv, so I never knew that name before, and we were
21 working with them at Petri. Petri and Dalphi Metal, in
22 the 90s, were sort of sister companies, but very small.
23 So I wasn't aware that in the last few years then
24 Dalphi Metal qualified their technology with GM and was
25 successful in winning business, not with us at

1 GM Holden, but globally. Then, like I stated, they won
2 a fairly large project, which was called the Epsilon II,
3 which was a global platform, and, to be honest, I was
4 very surprised about that at that time.

5 Q. We have some evidence about GM global sourcing at this
6 time, 2003/2004, although I am not sure if it is
7 the same one as this one you talk about, Epsilon II.
8 You may be able to assist with that. The global
9 sourcing that we have heard evidence about concerns
10 the Vauxhall Vectra and Vauxhall Astra vehicles. Do you
11 know if that is the same platform as this one?

12 A. No, that is not the same platform.

13 Q. It is not the same. But it appears to be a similar
14 episode of global sourcing, and in relation to the one
15 we have heard about in this case, Dalphi Metal also
16 appears to have won it, or at least for some of the OSS
17 supplies.

18 Can I show you a document related to that at tab 41
19 of J1 {J1/41/1}. Now, this is an email, an internal
20 Autoliv email, but you will see it refers at the start:

21 "Art, Jochen,

22 "I had a longer discussion today with Klaus Fruck,
23 counterpart to Art from TRW!

24 "In general we agreed ... we are not willing to
25 support Opel's strategy regarding their intention with

1 this global sourcing!"

2 So that is the global sourcing I referred to:

3 "When business is sourced we should give each other
4 the chance to recover the sourced price by engineering
5 changes! He also has a lot of problems with Opel's
6 pricing and want to take the opportunity to recover loss
7 business.

8 "... I am very glad he brought up some points he is
9 not willing to stand any more and we want to make a
10 clear common statement to GM-Fiat-[worldwide purchasing]
11 whenever these points will come up:

12 "Breakdowns for all engineering changes on
13 a detailed level.

14 "Targets regarding VA/VE savings.

15 "Tooling Breakdowns.

16 "Working together to increase market prices up to
17 a profitable level.

18 "When we receive the RFQ for the sourcing we want to
19 come together to discuss further details.

20 "Next step will be to discuss these items ... with
21 Takata and to build up a better relationship with our
22 competitors."

23 Now, he discusses -- he mentions there
24 Mr Klaus Fruck from TRW. Is that someone you were
25 familiar with when you were there?

1 A. I am familiar with Klaus Fruck since around that same
2 time frame, because he was -- and I think that's
3 mentioned there as well -- in charge of the TRW account
4 for General Motors globally at the time, and we,
5 actually, at GM Holden -- so I know him from
6 the GM Holden that time first -- we sourced TRW and
7 replaced Autoliv at that time. So he was our main sales
8 contact for us.

9 And -- yes, sorry, just to continue to your
10 question -- and I never worked afterwards, from my time,
11 2008 to 2010, nor after 2014, directly with him, but
12 I obviously met him in the company, yes.

13 Q. As the global account head, would he have been based in
14 Vigo or in Germany?

15 A. So at the time, the account for General Motors globally,
16 as my understanding, was headed out of Alfdorf, out of
17 Germany, where Klaus was located. Later on -- because
18 you're referring to Vigo -- when TRW acquired
19 Dalphi Metal, as I also explained in my statement that
20 Dalphi Metal, the General Motors sales team, took over
21 the global responsibility for TRW. So, basically,
22 Klaus Fruck, as the lead for General Motors at TRW, was
23 replaced with Ramiro Gutierrez from Dalphi Metal. And
24 then the account team mainly was located in Vigo,
25 however there were still some people located in Alfdorf

1 as well, from -- from Klaus's team here, later on.

2 Q. Just to show you one other document on this, tabs 42
3 {J1/42/1} to 43 {J1/43/1}, so the next two. 42 is in
4 German, but the translation is at 43.

5 This is an email concerning a dinner meeting, and we
6 see Mr Fruck again. He is apparently meeting with
7 Mr Aigner of Autoliv, and this was shortly after
8 the global sourcing was announced in relation to
9 the Vectra and Astra vehicles that I mentioned. But,
10 again, this is not something you have ever become aware
11 of before the present case?

12 A. That is correct, I have not seen that before, no.

13 Q. What happened on this tender, so far as we can tell from
14 the documents, is that, as I said before, Dalphi won
15 the tender, or at least part of it, but TRW and Autoliv
16 did not win any of it. So it seems to be a similar
17 example to the one you refer to in your statement where
18 Delphi was successful.

19 But what these documents may suggest is that
20 the reason Dalphi was successful is that both TRW and
21 Autoliv decided not to submit competitive quotes?

22 A. I was not involved in that quote. To me, that sounds
23 very -- that would be very unusual, ie that --

24 Q. (Overspeaking) --

25 A. -- those companies would not tender for -- for that

1 business and, to be honest, try to keep a newcomer, if
2 you want so, or I think it was referred to as a "game
3 changer" by themselves, to not keep them out. But,
4 again, I have not been close to that, because I was in
5 Australia at that time.

6 Q. But if that is what happened and Dalphi submitted
7 a competitive bid, then Dalphi's bid would be likely to
8 win?

9 A. Again, I can't comment on that. I can only, like in my
10 statement, say that Dalphi Metal was very competitive.

11 Q. What you do talk about and what we know happened almost
12 immediately after this is that TRW purchased Dalphi in
13 2005?

14 A. Sorry, I didn't hear that. Can you please repeat that?

15 Q. What happened immediately after this is that TRW
16 purchased Dalphi in 2005? Sorry, I may be getting
17 the names wrong, but there is a Delphi and a Dalphi?

18 A. Dalphi Metal.

19 Q. Dalphi. TRW purchased Dalphi in 2005, did it not?

20 A. Yeah, that is correct. That is my understanding, yes.

21 Q. You would accept that from that moment on there was no
22 prospect of any competition of any kind between TRW and
23 Dalphi?

24 A. And Dalphi Metal, because Dalphi Metal became part of
25 TRW, yes. And this was -- just to clarify that again.

1 When you look at -- I'm in that business since -- since
2 almost 30 years now. There has been a significant
3 consolidation in the market over time. So the small
4 companies, like Petri, was bought by Takata,
5 Dalphi Metal by TRW, Breed became KSS, so there is a lot
6 of consolidation, at least in the western world, what
7 happened.

8 Q. Yes.

9 So far as you were aware, when TRW sought
10 the permission of the European Commission for that
11 merger, the European Commission was not informed of any
12 of these exchanges, as far as you are aware?

13 A. I was not involved in that. I cannot comment on that.

14 Q. I am not going to take you to the merger decision, but
15 we did it look at it last week. It is at {J2/91/1}, for
16 the Tribunal's note. You will see that the decision
17 proceeds, at paragraph 28, on the basis that there is
18 fierce competition between TRW, Takata and Autoliv.

19 Now, following the consolidation you referred to,
20 Mr Spiess, the main suppliers left in the market were
21 TRW, Autoliv and Takata?

22 A. That is -- for General Motors, that is not correct.

23 They always had a significant amount of suppliers on
24 the supply panel, globally.

25 Q. For European business, who else was there?

1 A. For European business, there was KSS, for example, and
2 they even brought in some suppliers from Korea, or from
3 -- from Japan to -- to basically, as they stated in
4 their documents, their internal documents, as "game
5 changers", to try to put the prices down.

6 Q. Do you know what share of GM's business they had at this
7 time?

8 A. No, I don't know the share of their business, no.

9 Q. At paragraph 16 of your statement, if we can look at
10 that {D/3/4}, in the last sentence, you say:

11 "I knew from working for TRW's GM account sales team
12 that it was GM's established practice to play
13 the suppliers off against each other on the price during
14 sourcing to secure the lowest price."

15 Do you see that?

16 A. Yes, I can see that.

17 Q. What you are describing there is just a standard
18 invitation to tender, is it not?

19 A. It is not a standard invitation to tender, that is just
20 the normal practice of an RFQ. But what I refer to is
21 really the multiple rounds of quotations, and trying to
22 therefore drive the prices down and see who really wants
23 to lower their KPIs to get the business.

24 Q. There is nothing out of the ordinary about that, is
25 there, Mr Spiess?

1 A. I can call this an ordinary thing, that is correct, yes,
2 as I explained to you.

3 Q. Otherwise known as competition?

4 A. Sorry?

5 Q. Known as competition?

6 A. Yeah, but competition is there to basically bring
7 the lowest price into the purchasing world. And in
8 addition, I mean, just to give you some example,
9 engineering was -- without going into too much detail,
10 engineering at the OEM, also from my experience, was put
11 under pressure from purchasing to make sure that we got
12 enough qualified suppliers to make sure that the list is
13 as big as we could afford.

14 Q. As far as you are aware, if you are able to talk to
15 this, the position is no different in relation to
16 supplies to, for example, Volkswagen or BMW; they would
17 also apply the same types of processes?

18 A. I never worked with the Volkswagen or BMW team at
19 the time, so I cannot tell you what their supplier list,
20 or their qualified supplier list was.

21 Q. It would be rather surprising if it was any different?

22 A. Again, I cannot make a comment on that, because I don't
23 know how much Volkswagen, due to their global footprint,
24 basically reached out to suppliers, like General Motors
25 did. I really don't know.

1 Q. At paragraph 24 {D/3/6}, you refer to the use of target
2 prices by GM, but, again, maybe your answer will be
3 the same, you are not able to cast any light on whether
4 that was an unusual practice by GM or standard practice
5 in the industry?

6 A. Sorry, I didn't -- I missed the first part.

7 Q. Sorry, the use of target prices, at paragraph 24
8 {D/3/6}.

9 A. Yeah.

10 Q. So my question was: you are not able to cast any light
11 on whether that was a specific GM practice or was
12 standard practice in the industry?

13 A. I only have that experience from General Motors, that
14 they were targeting some suppliers for some business
15 specifically, which was called target sourcing.

16 Q. At paragraph 18 {D/3/5}, you talk about the technical
17 qualification process used by major US OEMs.

18 A. Mm-hm.

19 Q. That is not really very surprising, is it, Mr Spiess, in
20 this context, because we are talking about safety
21 products?

22 A. So that's actually exactly the opposite. The -- in
23 the 90s, a lot of companies tried to sell inflators and
24 safety components to the market, because it just
25 started, and to put a lid on that and make sure that

1 only qualified and, let's call it, good -- describe it
2 as good components will make it to the market, they
3 developed a specification between GM, Chrysler and Ford
4 in North America, and the German OEMs as well, that it's
5 similar in Germany, to make sure that quality products
6 are being offered to the market. And still, today, you
7 have to qualify your inflators, your connectors, your
8 initiators that way to make sure that you can use them
9 in an RFQ. And they wanted to have a standard, rather
10 than having three different specifications, for example,
11 for the North American market.

12 Q. Again, because we are dealing with safety products here,
13 that is what one would expect, is it not, to have these
14 sort of high standards for qualification?

15 A. Correct, but that high standard of qualification means
16 you -- you try to focus on one product which can be used
17 in the markets. So if I, for example -- and we want to
18 always either fulfil new performance requirements, new
19 regulations, new consumer metric tests, or we want to
20 bring the cost down. I cannot just take my inflator,
21 even if it is based on my previous model, and walk
22 within -- and walk into the OEM, especially for those
23 three in North America, without having gone through
24 a qualification process which follows that
25 specification.

- 1 Q. But one result of that is that it is not easy for new
2 competitors to enter this market?
- 3 A. Well, you have to be serious and make sure that your --
4 your products are good enough to fulfil that. Nowadays,
5 you have plenty of suppliers to do that, and I think GM,
6 at the time at least when I was there, has always tried
7 to pull in new suppliers from lower-cost countries.
- 8 Q. Well, you talk about that in paragraph 24 {D/3/6}.
- 9 A. Mm-hm.
- 10 Q. About halfway down, where you say:
11 "... price pressure was also generated by
12 up-and-coming suppliers from Asia-Pacific or other
13 lower-cost countries ..."
- 14 But you do not say who you mean. Who do you have in
15 mind there?
- 16 A. So we had suppliers on the list, like SNT from Korea, we
17 had Tokai Rika and Toyoda Gosei from Japan, we had -- we
18 had seatbelt suppliers from Brazil -- I think we talked
19 about Chris Cintos -- and others, and if we go outside
20 of that, that still continues today with Chinese
21 suppliers as well.
- 22 Q. Are you aware that Tokai Rika and Toyoda Gosei were also
23 found guilty of being in a cartel by
24 the European Commission in relation to --
- 25 A. Not until --

1 Q. -- OSS products?

2 A. -- I entered the trial, yes. No, I wasn't aware of
3 that, no.

4 Q. The other suppliers you mentioned, the Brazilian
5 suppliers and SNT, you cannot assist us with what market
6 share they had of GM's business?

7 A. I don't know the market shares, no.

8 Q. You don't know.

9 A. But, for example, Dalphi Metal and TRW, later we had
10 a project with SNT for General Motors.

11 MR WEST: Thank you very much, Mr Spiess.

12 A. Thank you.

13 MS FORD: No re-examination.

14 THE CHAIRMAN: Thank you very much. You are released from
15 your oath.

16 A. Thank you.

17 (The witness withdrew)

18 MS FORD: Can I call Ms Bernadi, please.

19 MS PATRIZIA BERNADI (affirmed)

20 (All answers given in English unless otherwise indicated)

21 THE CHAIRMAN: Please have a seat.

22 Examination-in-chief by MS FORD

23 MS FORD: Ms Bernadi, can we look, please, at {D/4/1}. Is
24 that your witness statement in these proceedings?

25 A. Yes, it is.

- 1 Q. Within that tab, can we go, please, to page {D/4/11}.
- 2 Is that your signature?
- 3 A. Correct, it's my signature.
- 4 Q. Are the contents of your statement true to the best of
- 5 your knowledge and belief?
- 6 A. Yes.
- 7 MS FORD: Thank you.
- 8 Cross-examination by MR WEST
- 9 MR WEST: Good afternoon, Ms Bernadi.
- 10 A. Good afternoon.
- 11 Q. Could I ask you to have a look at paragraph 14 of your
- 12 witness statement, please {D/4/4}?
- 13 A. Yes.
- 14 Q. Sorry, just before we go there, can we go through
- 15 the traditional explanation of your role.
- 16 So you were an account manager for OSS products for
- 17 the Fiat account within TRW from 2004 onwards; is that
- 18 right?
- 19 A. Yes.
- 20 Q. And an account director from 2009 onwards?
- 21 A. Correct.
- 22 Q. Then in 2014 you were made VP of sales for OSS and also
- 23 Advanced Driver Assistance Systems?
- 24 A. Yes, correct.
- 25 Q. Then from 2018 you were no longer responsible for OSS

1 because you were focusing on other matters; is that
2 right?

3 A. In 2018, yes, I -- I was fully dedicated to ADAS,
4 advanced automotive drive.

5 Q. So you were either an account manager or account
6 director for the Fiat account within TRW between 2004
7 and 2011?

8 A. Correct.

9 Q. Yes.

10 So paragraph 14 {D/4/4} of your statement --

11 A. Yes.

12 Q. -- you say:

13 "All RFQs require different pricing calibration for
14 their respective business cases. The pre-CQA team would
15 start with preparing the bill of materials ... This was
16 prepared by Finance and Purchasing based on the input
17 from the Application Engineering team. The Sales team
18 would provide all the information and documentation on
19 the conditions requested by the customer to the pre-CQA
20 team and would oversee the preparation of the business
21 case but would otherwise not be responsible for
22 the [bill of materials] or the business case."

23 So your evidence is that the sales team was not
24 responsible for the business case; is that right?

25 A. Correct.

1 Q. Then at paragraph 16 we deal with approval, and you say:

2 "As the second [stage] ..."

3 So that is the grant of approval:

4 "... the business case would be reviewed at
5 the weekly divisional CQA meeting by the ... ('CFO') of
6 the Division ... the Head of Division ... the Head of
7 Engineering and other senior people ... from various
8 departments ... such as Purchasing, Manufacturing and
9 Program Management. The CFO of the Division would look
10 at the financial KPIs and decide whether the business
11 was attractive or not, while the other attendees would
12 factor in the business strategy perspectives as well.
13 Once the business case was approved at the divisional
14 CQA meeting, we would then seek final approval from
15 the CFO of the Division and the Head of the Division."

16 So, again, the decision whether to approve
17 the business case was also not one taken by the sales
18 team, of which you were a member?

19 A. No, the sales team was part of the -- of the -- let's
20 say, the -- the table, but it was not taking
21 the decision, but we were in charge to bring all what
22 was included in the RFQ coming from the customer.

23 Q. So whoever it was who came up with the prices which were
24 submitted for approval, it was not you or members of
25 your team?

- 1 A. Sorry, can you repeat the question?
- 2 Q. Whoever it was that came up with the minimum prices
3 which were then submitted for approval, it was not you,
4 or members of your team?
- 5 A. No, the -- the business cases and the pricing was driven
6 by the -- let's say the -- the overall management, and
7 the price was an indication from the sales team because,
8 as you probably heard before my evidence, the price --
9 we received the target price from the customer after
10 the technical review. So the technical review would
11 have say the supplier is green, based on technical
12 proposal, and then send the target price that we should
13 quote against.
- 14 Q. At paragraph 17 {D/4/5}, you say:
- 15 "Once we had received final approval, we would ...
16 submit a quote ... This would typically be higher than
17 the approved business case as in Sales we had discretion
18 to negotiate with the customer provided we were within
19 the approved KPIs in the business case. We could
20 structure the price to vary the piece price, givebacks
21 and other elements, such as upfront payments, within
22 the KPI limits in the business case. However, we could
23 not negotiate below those base KPIs."
- 24 That is right, is it not? No matter how good
25 a negotiator you were, you were not authorised to go

1 below the price which had been authorised via
2 the process you describe?

3 A. Correct.

4 Q. At paragraph 18 {D/4/5}, you discuss the competitors.
5 About halfway down, you start:

6 "The customer would not say which competitor they
7 were referring to. That said, I knew that it mostly
8 could either be Autoliv Takata, as they were the other
9 main players, but I would not be able to identify which
10 of the two, except for seatbelts as Takata did not
11 supply seatbelts during the Relevant Period. Other
12 small players in the OSS market were Breed and Joyson."

13 So your understanding was that the main players were
14 Autoliv and Takata, together with TRW, except that
15 Takata were not involved with seatbelts; is that right?

16 A. Correct.

17 Q. So for seatbelts there was only Autoliv and Takata as
18 large players; correct?

19 A. Correct.

20 Q. When you mentioned Joyson there, we have heard some
21 evidence about a company called KSS, is that the same
22 company?

23 A. Yes, it is.

24 Q. I wonder if I could just ask you to look at what
25 Mr Squilloni says about them, although he is an Autoliv

1 witness. That is {C/3/6}. At paragraph 18, about
2 halfway down -- now, Mr Squilloni, just to explain to
3 you, he was effectively your counterpart at Autoliv, so
4 he was in charge of the Fiat account at Autoliv.

5 A. Sorry, can you repeat it?

6 Q. So Mr Squilloni gives evidence on Autoliv's relationship
7 with Fiat. I do not know if you know of Mr Squilloni
8 or have ever --

9 A. No.

10 Q. -- had anything to do with him? No.

11 Well, anyway, what he says at paragraph 18, halfway
12 down:

13 "Historically, KSS was the key supplier of seatbelts
14 for FCA's Alfa Romeo vehicles, however, in the period
15 around 2005-2008, I recall that KSS had some
16 difficulties with its supply of seatbelts, failing to
17 meet FCA's expectations, which gave Autoliv an
18 opportunity to take a substantial amount of business
19 from KSS for Alfa Romeo."

20 Is that something you recall, that KSS, or "Joyson"
21 as you refer to them, had difficulties with their supply
22 of seatbelts to Fiat for --

23 A. Can be.

24 Q. -- Alfa Romeo?

25 A. I don't remember --

- 1 Q. You do not remember.
- 2 A. -- specifically.
- 3 Q. Could you look at tab 753 {J1/753/1}. This is
4 a document -- I do not think you saw this at the time,
5 did you, at the time of the facts? So this would be in
6 2006.
- 7 A. Yeah, my name, it's not in this list, and the reason is
8 because this is relating to steering column, not
9 steering wheel, so it's not an OSS product.
- 10 Q. Okay, well, I am not sure if we agree about that or not,
11 but if we can put this to one side. You do discuss this
12 in your evidence.
- 13 A. Yeah, yeah, I have reported in my evidence as well.
14 I -- I didn't know what "ESO" means, but then looking
15 again on the name listed, I can figure out that this is
16 relating to steering column because of the people that
17 is listed in this email belong to that division.
- 18 Q. Well, perhaps we can leave it like this. You were not
19 sent this document and so you are not in a position to
20 talk about this document?
- 21 A. No, I don't -- I'm not involved at all in this document.
- 22 Q. Could we look at {J1/1045/1}. Now, this is in 2008, and
23 the heading is "Panda awards & dowry", so this seems to
24 be to do with Fiat; correct?
- 25 A. Yes, Fiat Panda.

1 Q. Fiat Panda, of course.

2 But for some reason you do not appear to have been
3 copied in to this email. Oh, no, sorry, you were,
4 the cc at the bottom, Patrizia Bernadi, I am sorry.

5 A. Correct.

6 Q. Together with Mr Lake, Mr Bausch and Mr Baier.

7 We see, in the email at the bottom of the first
8 page, is Mr -- sorry, there are three emails here, it
9 looks like. The very bottom one is Mr Gravell talking
10 about "a ... quick session with JCP". That would be
11 Mr Plant, would it? If you do not know, just say.
12 Please feel free to say so.

13 A. I guess, yes, it's John -- John Plant. There is -- they
14 refer to John Plant.

15 Q. Then we have Mr Bausch emailing:

16 "We had ... several sessions yesterday with
17 the while team and improved the BC ..."

18 Would that be the business case?

19 A. (No audible response).

20 Q. "... before we approved it in Europe. I doubt that we
21 can further improve -- nevertheless we will drive
22 the team for further improvement in order to meet Johns
23 target.

24 "We will send you the revised CQA ..."

25 That is customer quotation approval:

1 "... within today."

2 So that is Mr Bausch, is it?

3 A. Yeah.

4 Q. So we see here Mr Bausch getting involved in this
5 particular approval process for the Fiat Panda; is that
6 what we see?

7 A. Yes, it's because Mr Roland Bausch at that time was
8 the sales lead for the OSS division.

9 Q. But Mr Bausch was also, was he not, the account manager
10 for the BMW account within TRW?

11 A. Maybe before this position.

12 MR WEST: Those are all my questions. Thank you very much.

13 MS FORD: Nothing further.

14 THE CHAIRMAN: Thank you very much. You are released from
15 your oath.

16 (The witness withdrew)

17 MS FORD: Sir, finally, we call Mr Gravell, please.

18 THE CHAIRMAN: Yes.

19 MS FORD: I apologise to Mr Gravell. It is Mr "Gravell".

20 THE CHAIRMAN: Mr West, at some stage it would be helpful to
21 update the dramatis personae. Obviously you have got
22 more evidence on who people are and more people are
23 being introduced. It is very helpful, thank you for it,
24 but if it could be updated at an appropriate point that
25 would be --

1 MR WEST: (Off microphone - inaudible).

2 THE CHAIRMAN: Exactly, yes, yes.

3 MR ROBERT GRAVELL (sworn)

4 Examination-in-chief by MS FORD

5 THE CHAIRMAN: Please take a seat, Mr Gravell.

6 MS FORD: Can we look, please, at {D/5/1}.

7 Mr Gravell, is that your statement in these
8 proceedings?

9 A. Yes.

10 Q. Can we turn within that to {D/5/11}, please. Actually,
11 it may be page 12 {D/5/12}.

12 Is that your signature?

13 A. Yes.

14 Q. Are the contents of your statement true to the best of
15 your knowledge and belief?

16 A. They are.

17 MS FORD: Thank you.

18 Cross-examination by MR WEST

19 MR WEST: Hello, Mr Gravell.

20 Starting then with your role. You tell us your
21 joined TRW when it bought a company called "Lucin" in
22 1999; is that right?

23 A. Lucas.

24 Q. Lucas, I am sorry.

25 You were then asked, in 2001, to go to Michigan to

1 join the head of sales and the CEO of the company?

2 A. That's correct.

3 Q. Who were those individuals at the time?

4 A. The CEO was John Plant, JCP, as you mentioned, John
5 Charles Plant; head of sales, Peter Lake.

6 Q. The role that you took up at the time was not a sales
7 role, was it?

8 A. No.

9 Q. It was -- would it be right to describe it as an
10 internal business process type of role?

11 A. Correct, yeah, liaison with the CEO and head of sales.

12 Q. Could I ask you to look at -- well, firstly, at your
13 statement at paragraph 42 {D/5/10}. You say there:

14 "I only became aware that there had been some
15 anti-competitive conduct in relation to certain projects
16 to supply certain OSS products to BMW and VW from
17 the European Commission's investigation. I am not aware
18 of any communications between TRW and its competitors in
19 relation to RFQs or price amendments for projects to
20 supply OSS products to the Claimants. In fact, there
21 has been an anti-trust training programme at our
22 company, and we were actively trained by Legal to avoid
23 communicating with competitors."

24 Now, that training programme you refer to, was that
25 before the conduct that you mention in the earlier part

1 of your paragraph?

2 A. After.

3 Q. After?

4 A. Yes.

5 Q. Could I ask you to turn up {J1/691/1} and go on to
6 page 6 {J1/691/6}. As one often finds, there are
7 several emails here on the same page. Starting at
8 the bottom, it seems to be from Steffi Baier:

9 "Hello Rob,

10 "The attached document was signed by EU management,
11 but due to Sales Turnover I need Exec Approval."

12 So that refers to the different levels of approval
13 for different sizes of projects --

14 A. Yeah.

15 Q. -- that we have been talking about?

16 A. Correct.

17 Q. In this case, it looks like, if you look at the next
18 sentence:

19 "[Please]... look at the presentation ... and let me
20 know if JCP [meeting] is necessary."

21 Mr Plant has to sign off on this, so it seems?

22 A. Correct.

23 Q. You say:

24 "I think we ... need a meeting so that [Mr Plant]
25 can ask some questions of the team."

1 We then have a Mr Kadri Ayguen getting involved, who
2 was he?

3 A. He was the account director for VW.

4 Q. "We can't wait. We need the approval now since
5 the Airbags will be awarded before. We won't have the
6 [seatbelt] stuff ready for ... another 2 weeks."

7 You say:

8 "What about [driver airbag/steering wheels]?"

9 "Will we bid that?"

10 "Will there be a dowry discussion?"

11 A. Yes.

12 Q. Mr Ayguen says:

13 "No RfQ. Audi already awarded last summer to TRW,
14 VW, Seat and Skoda still discussing design. It looks
15 like each brand will award individually."

16 A. Yeah.

17 Q. "Skoda is the earliest in timing. No rfq expected
18 before October."

19 Then this:

20 "For MQB IRS ..."

21 Presumably that is something inflatable restraint
22 systems:

23 "... VW is asking for dowries. Right now we don't
24 know how much the realistic value will be. My
25 information is that Takata and Autoliv have offered 0.

1 My best bet right now is 5% of pa award sum payable in
2 2010 and 2011."

3 You say:

4 "I ... set up a [meeting] with PL ..."

5 That would be Peter Lake?

6 A. Yes.

7 Q. "... to talk it through tomorrow am livonia time, are
8 you ok?"

9 So you see that?

10 A. Yes.

11 Q. This particular part of this I am interested in is where
12 Mr Kadri says:

13 "My information is that Takata and Autoliv have
14 offered 0."

15 That suggests, does it not, that Mr Kadri has been
16 discussing with Takata and Autoliv what dowries to offer
17 to Volkswagen?

18 A. I would expect he got that information from
19 the customer.

20 Q. Why would the customer tell a supplier that the other
21 competing suppliers have offered zero?

22 A. Maybe they're trying to bring him to offer something
23 significant from us to win the business.

24 Q. I also suggest the wording "my information is" is
25 the type of phrase one uses when one wishes to be coy

1 about where one got the information from.

2 A. Yeah, I don't know where he got the information. We
3 assume in those cases it comes from the customer.

4 Q. Well, let us look at another document on this, tab 706
5 {J1/706/1}. Again, if one starts at the lower email.

6 A. Yeah.

7 Q. So this is Matthias Bieler emailing Mr Plant again and
8 you are in copy we see:

9 "John,

10 "Please find attached the latest business case for
11 the OSS business in Brazil."

12 I should point out the subject is, "[Volkswagen]
13 OSS" business, so this is Volkswagen again in 2010:

14 "As you will remember the 1st tranche of this
15 business package was awarded to Autoliv. The decision
16 on the 2nd tranche will be between Takata and us.

17 "We had to align our [start of production] prices to
18 the same level as Autoliv.

19 "Autoliv was awarded the business with productivity
20 of 5%, 8% and 7% (confirmed by Autoliv sources)."

21 So clear from this that Mr Bieler is saying he got
22 this information from Autoliv, is it not?

23 A. Yes.

24 Q. This was sent to you, as we discussed, yes?

25 A. CC me.

1 Q. CC, and to Mr Plant, yes?

2 A. Sorry?

3 Q. And to Mr Plant?

4 A. To Plant, cc me.

5 Q. Mr Plant replies in fact:

6 "Re dowry we need to find a way to make [it]

7 a one-off ..."

8 And so on. So he reads and responds to the email.

9 You told us earlier he was the president and CEO of

10 TRW at the time, was he not?

11 A. Correct.

12 Q. So it looks like both you and he were aware that TRW was

13 exchanging confidential information with Autoliv in

14 relation to VW supplies in Brazil in 2010; is that

15 right?

16 A. Yeah, further down the email he says:

17 "After discussions ... with Mrs Fuder and

18 Mr Seitz ..."

19 Both of those are VW employees. Frau Fuder, she is

20 a head purchaser at VW. So he is saying he spoke with

21 Mrs Fuder and Mr Seitz. That information would come

22 from VW in that case.

23 Q. Could you then turn over to tab {J1/709/1}. Again, this

24 begins in reverse, as it were, at the end. So with an

25 email from Mr Laguette {J1/709/2}, that seems to be sent

1 to Mr Peter Lake, who is asking what the status is with
2 Renault on the G24.

3 Then on the previous page, back to page 1 of
4 the document {J1/709/1}:

5 "A few updates regarding our G24 negotiation with
6 Renault.

7 "EPS ..."

8 That is electronic power steering:

9 "... warranty oncost calculation."

10 Then there is some wording.

11 Then this:

12 "Situation at competitors (feedback)."

13 We see some information given about Delphi, Bosch,
14 Siemens, and these are TRW's competitors in
15 the electronic power steering market; is that right?

16 A. Correct.

17 Q. We see this is sent again to you and to Mr Lake, yes?

18 A. Yes.

19 Q. I do not know if you have seen it, feel free to take
20 a minute to read it if you have not seen this before?

21 A. I've seen it. I know the email, yeah.

22 Q. So this is back in 2003, and this again suggests that
23 you were aware that TRW was exchanging information with
24 its competitors in this way?

25 A. Yeah, this -- this email is specific to Renault's

1 warranty programme, G24 signifies 24 months, two years,
2 warranty, and the information here came from the French
3 automotive federation, the FIEV. So, for example, in
4 the UK we have SMMT, or VDA in Germany, or FEBIAC in
5 Brussels covers the whole of Europe. In France, they
6 have FIEV. So PSA and Renault and the large French
7 suppliers sit together in a forum, and I went back to
8 this Claude Gonzales here and asked him about this
9 information and he told me it came from the FIEV group.

10 Q. We see a Mr Lake, you told us he is the VP of sales of
11 TRW at the time?

12 A. Head of sales of -- of TRW, yeah, correct.

13 Q. What I suggest that these three documents show is that
14 the top management of TRW were aware that TRW was
15 involved in discussions with its competitors of the kind
16 that the legal training to which you have referred would
17 have told you is prohibited?

18 A. I think this third one, as I said, it came from
19 the federation, the French federation, the FIEV;
20 the second one you showed me, Frau Fuder and Mr Seitz,
21 VW people; and the first one said "my information",
22 I assume he got it from the customer.

23 Q. Let us move on from that.

24 At paragraph 13 {D/5/3}, you describe the process
25 when an RFQ came in. This is paragraph 13 of your

1 statement.

2 I showed this to Mr Drouin earlier.

3 A. Yes, I'm glad you came back to it.

4 Q. Because you say:

5 "... the Finance team would prepare [the] business
6 case for each RFQ with input from other functions ...
7 which would take approximately a week."

8 We looked at some business cases earlier on. But
9 the finance team, as I suggested to Mr Drouin, was not
10 separated out by OEMs in the way the sales teams are;
11 that is right, is it not?

12 A. Correct. So the CQA process is the whole process that
13 takes a customer RFQ through to a quotation. It's
14 the process. I implemented that process in TRW.

15 Q. I understand.

16 A. Part of the process is a tool we call the business case.
17 It's a complex financial tool, it covers return on
18 sales, return on assets employed, net present value.
19 That's prepared by a finance expert.

20 Q. I understand.

21 Could we then go to a discrepancy, if it is one,
22 about the thresholds --

23 A. Yeah.

24 Q. -- that I raised with Mr Arango.

25 A. Yeah.

1 Q. So these are dealt with in paragraph 19 -- sorry, it is
2 18 to 19 of your statement {D/5/4-5}. Could you explain
3 why you have slightly different thresholds? Is that to
4 do with the different timing, as Mr Arango suggested?

5 A. Yeah, partly. So this -- this process covered the whole
6 of TRW, so all divisions, braking, steering, OSS, body
7 controls, all divisions. At the beginning, we started
8 with braking and implemented the CQ process, and
9 the rule was any case that had an annual sales in excess
10 of \$25 million would go to the CEO, so it would come to
11 me, I would take to him, he would approve or reject.
12 Then we pulled on board steering, again, it was
13 \$25 million, then division by division they came on
14 board, and sometimes the CEO would want a greater level
15 of oversight, so he'd say, "Okay, bring me everything
16 above \$10 million for cameras, because it's new business
17 and I want to see how those quotes are going, bring me
18 anything about X, Y or Z for different products". So as
19 different products came on board, there were different
20 levels of approval. And at one time, I do remember OSS
21 was (redacted), but the number that Levi was referring
22 to, (redacted), is today's approval for OSS. That's
23 euro because it goes to Friedrichshafen in euros; back
24 in the TRW days it was dollars because it came to us in
25 dollars.

1 Q. I think we were not supposed to say the figure. I do
2 not know why, but I think we were not supposed to say
3 that, so we may have to take it off the transcript.
4 I understand.

5 So you said, first, from time to time, Mr Plant
6 could lower the threshold of things that he had to
7 see --

8 A. Yes.

9 Q. -- and at some point down as low as 10 million?

10 A. To try to give himself a better understanding of a new
11 product, further oversight, a better understanding of
12 it, yeah.

13 Q. Just to give us an idea, for an OSS RFQ, 10 million
14 would not be an unusual size?

15 A. Yeah, I mean, 10 million is a normal quote.

16 Q. The CEO would be seeing all of these --

17 A. Yes.

18 Q. -- above that level?

19 A. He was very -- very involved in the quote process, yeah.

20 Q. One of the questions the Tribunal asked was about
21 regularity. So, at 21 {D/5/5}, you talk about weekly
22 sales meetings. So these weekly sales meetings which
23 you refer to at paragraph 21, who would have attended
24 those meetings?

25 A. So these -- these are -- there are multiple sales

1 meetings, I've heard in previous evidence, so maybe I'll
2 have to take them all step by step.

3 This one I'm talking about here is the weekly sales
4 meeting held by the global head of sales, Peter Lake,
5 and they, each of his key account directors, so the head
6 of sales for Ford, for GM, for VW, for Renault, etc,
7 would all attend, plus the heads of sales for each
8 division, the braking division, the steering division.

9 So sales works as kind of like a matrix, you have
10 the head of sales for the divisions in one side of
11 the matrix and the head of sales for the customer teams
12 on the other side of the matrix -- in fact, it's
13 three-dimensional, because we have head of sales for
14 countries as well in the case of Brazil, or Mexico, or
15 China, or Korea, there's a head of sales per country.
16 So a three-dimensional matrix, all of those people would
17 attend the Peter Lake sales meeting. Very high level.

18 Q. Out of those, it is only the customer-specific sales
19 teams which are siloed -- is the word we have been using
20 -- between the different car purchasing companies --

21 A. You are correct.

22 Q. -- car manufacturing companies?

23 If we look at paragraphs 39 to 40 of your statement
24 {D-IR/4/10}. Again, there is a word blanked out so we
25 will need to look at the confidential version of that.

1 So if you would mind not saying the word which is,
2 I think, in yellow.

3 So you are suggesting here that this particular OEM
4 was a very effective negotiator?

5 A. Yes, I agree.

6 Q. The Tribunal will see who that OEM is. I am not sure
7 I can go much further in open court.

8 At paragraph 15.2 {D/5/4}, you refer to different
9 categories of business that would come in and how they
10 were classified by TRW. We do not need to worry about
11 C, but you have:

12 "'RT' or 'Replacement Target' ..."

13 Just to go down the others:

14 "'T' or 'Target' ..."

15 "'O' or 'Opportunity' ..."

16 So, it is fair to say, is it, that target business
17 is more of a priority than an opportunity? Is that
18 right?

19 A. Yeah, so this was a process that we brought in to allow
20 us to evaluate RFQs as they came into the company. So
21 we are looking at global perspective, all products, all
22 customers, all divisions, it gets complicated. So if we
23 already had the product on the preceding platform,
24 the prior platform, we were encumbered effectively, even
25 though there was a new platform coming potentially with

1 a new replacement product, we would categorise it as a
2 replacement target. We want to go for it, because we
3 already have the preceding business. In some cases, we
4 used the capital, so it was a replacement target, that
5 was clear.

6 The second piece of business would be where we were
7 aware that we didn't have the business today on
8 the preceding platform, so we were aware there was
9 a potential to displace the existing supplier. Maybe we
10 knew from customer feedback they were unhappy with them,
11 technically or for quality issues or logistics issues,
12 whatever; we realised there was a potential. That would
13 be a target for us, a growth target.

14 Other business, we realised we would have to quote,
15 but the existing supplier was strong, there were no
16 feedbacks of problems or any issues, so we would call it
17 an opportunity: there's a chance, but a lower chance
18 because somebody else is already in place. So every
19 quote that came into the CQ process, question one: is it
20 RT, T or opportunity?

21 Q. You say, at 15.2, that:

22 "'RT' ... was the category of must-win projects ..."

23 A. Because we already had the preceding business. If we
24 lost the replacement target, then there was a hole in
25 the back.

1 Q. So it is fair to say that incumbent business, if I can
2 call it that, was that a higher priority?

3 A. Yes. For sure, incumbent business was higher priority.
4 Clear.

5 Q. Then, you talk about market shares at paragraph 41
6 {D/5/10}:

7 "During the Relevant Period, there were three main
8 players ... typically invited to quote for OSS ...
9 Autoliv, TRW and Takata/Joyson."

10 Now, Takata and Joyson have now merged, but at that
11 time they were separate, were they not?

12 A. There's an error there, yeah. Joyson was not at the
13 time, agree.

14 Q. You say:

15 "There was a fairly even split between the three.
16 As a general indication, Autoliv had around 40% of
17 the market, TRW around 30% and Takata around 25%, but
18 market shares differed between the three OSS products
19 (steering wheels (including driver airbags), inflatable
20 restraints (... all other airbags), and seatbelts),
21 between customers and between regions."

22 So if one adds up those figures, 40, plus 30, plus
23 25, those three companies, in your evidence, were
24 accounting for 95% of the market; is that right?

25 A. Yeah, I'm mainly focusing on the West, so US and Europe,

1 to some extent the Asian market's a little bit
2 different. But, yeah, broad brush, I mean I -- maybe
3 not specific, but in the US and in Europe, the OSS
4 market was made up like that, yes.

5 MR WEST: Sorry, could I just have one minute?

6 THE CHAIRMAN: Yes, of course.

7 (Pause).

8 MR WEST: I am very grateful, Mr Gravell, those are all of
9 my questions.

10 A. Thank you.

11 MS FORD: No re-examination.

12 THE CHAIRMAN: Thank you for giving your evidence.

13 A. Thank you.

14 THE CHAIRMAN: You are released from your oath.

15 (The witness withdrew)

16 We have had a few extra documents. I do not know
17 where they are going to go. These in particular, of
18 course (indicates). If you could make sure they get
19 inserted in the right bundle.

20 There is a reference -- more than one reference to
21 the guidance and the application of a Chapter 1
22 prohibition in the Competition Act which is not in
23 the bundles at all. Could it be included in
24 the electronic copy of the authorities?

25 MR WEST: Certainly.

1 THE CHAIRMAN: I think it is that -- yes, I think it is
2 the -- it is referred to in -- one of the ones is
3 missing, anyway, and I think it is that one.

4 So how is tomorrow looking?

5 MR WEST: Similar to today. We have two witnesses from
6 Autoliv, so fewer witnesses but similar ground to cover.

7 THE CHAIRMAN: So no need for an early start?

8 MR WEST: No.

9 (3.22 pm)

10 (The Court adjourned until 10.30 am on Thursday,
11 10 October 2024)

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