

**INFORMATION
FOR NOTIFICATION OF THE ECONOMIC CONCENTRATION**

A. SHORT DESCRIPTION OF ECONOMIC CONCENTRATION (with no confidential information)

- a. Parties to the concentration
- b. Nature of economic concentration
 - a) merger,
 - b) acquisition,
 - c) joint venture
- c. Areas of activities of the notifying parties
- d. Market on which the concentration will have an impact
- e. Strategic and economic rationale for the concentration

the information above shall be published on the web site of the Competition Council and in the Official Gazette, therefore it does not need to contain confidential information

B. DETAILED DESCRIPTION OF ECONOMIC CONCENTRATION

SECTION I. Information about the Parties

1.1. Information on the Purchaser (Notifying Undertaking):

- 1.1.1. name, registration number (IDNO for Moldovan companies) or the name, surname of natural person (IDNP);
- 1.1.2. address/registered office (according to the information from the Commercial Registry) and the factual office of the company;
- 1.1.3. business activity performed by the undertaking, to indicate the main and secondary business activities;
- 1.1.4. name, address for correspondence, telephone numbers, fax number and e-mail address of the appropriate contact persons appointed for the contact with the Competition Council, as well as the position held;
- 1.1.5. an address for service of the notifying party for correspondence purposes and where documents, especially the decisions of the Competition Council may be delivered.

1.2. Information on Target:

- 1.2.1. name, registration number (IDNO for Moldovan companies) or the name, surname of natural person (IDNP);
- 1.2.2. address/registered office (according to the information from the State Registry of Legal Entities) and the effective office of the company;

- 1.2.3. business activity performed by the undertaking, to indicate the main and secondary business activities;
 - 1.2.4. name, address for correspondence, telephone numbers, fax number and e-mail address of the appropriate contact persons appointed for the contact with the Competition Council, as well as the position held;
 - 1.2.5. an address for service of the party for correspondence purposes and where documents, especially the decisions of the Competition Council may be delivered.
- 1.3. Appointment of representatives (powers of attorneys containing the name and position of the persons granting such authority)
- 1.3.1. name of the representative;
 - 1.3.2. address/registered office of the representative;
 - 1.3.3. name, address, telephone number, fax number and email address of person to be contacted
 - 1.3.4. an address of the representative to which correspondence may be sent and documents may be provided.

SECTION 2: Details about Concentration

- 2.1. Description of concentration
- 2.1.1. Concentration form
 - a) merger
 - b) acquisition of sole or joint control (by acquisition of shares, assets, by agreement or other means)
 - c) joint venture
 - 2.1.2. Whether the whole or parts of the parties are subject to the concentration;
 - 2.1.3. Brief explanation of the economic and financial structure of the concentration;
 - 2.1.4. Whether the economic concentration needs to be approved by other public authorities and whether those approvals were obtained;
 - 2.1.5. Whether the economic concentration is conditioned by certain major event or special conditions;
 - 2.1.6. The proposed structure of ownership and control both before and after the completion of the concentration;
 - 2.1.7. Any financial or other support received from whatever source (including public authorities) by any of the parties and the nature and amounts of this support;
 - 2.1.8. Economic sectors involved in the concentration.
- 2.2. The Value of the Transaction (the purchase price).

2.3. For each party to the concentration the following information shall be provided for the last 3 years¹:

2.3.1. world-wide turnover;

2.3.2. aggregate turnover in the Republic of Moldova

2.3.3. aggregate turnover in the Republic of Moldova, for each category of activities and products.

2.4. The economic rationale of the concentration.

2.5. Whether the operation has been notified with other competition authority in other country.

SECTION 3: Ownership and Control²

3.1. For each party to the concentration a list is provided with all companies belonging to the same group. The list shall contain information on:

3.1.1. all undertakings or persons controlling these parties directly or indirectly;

3.1.2. all undertakings active on any affected market that are controlled, directly or indirectly:

a) by these parties;

b) by any other undertaking specified at point 3.1.1

For each of the above mentioned undertakings the nature and means of control should be specified³

3.2. Parties and entities listed in 3.1 shall provide:

3.2.1. a list of all other undertakings which are active in the affected markets in which the undertakings, or persons of the group hold individually or collectively 10% or more of the voting rights, issued share capital or other securities, in each case, identify the holder and the percentage held.

3.2.2 a list for each undertaking of the members of their board management who are also members of the boards of management or of the supervisory boards of any other undertaking which is active on the affected market; and, where applicable, for each undertaking a list of the members of their supervisory boards of any other undertaking which is active in affected markets; and (where applicable), for each undertaking which is active in affected markets; in each case, identify the name of the other undertaking and the positions held;

3.2.3. details on acquisitions made during the last three years by the groups identified in 3.1. of undertakings active in affected markets, as defined in Section V.

SECTION IV Supporting Documents

Notifying parties shall submit the following documents legalized by the signature and their stamps (if documents are provided in foreign languages, then certified Romanian translations shall also be submitted):

¹ The turnover of the involved part/parties must include the total turnover of the companies considered as taking part from its/their group. In case of purchase of assets elements, will be considered only the related amount of those assets which constitute the objects of the transaction.

² Information from this section can be illustrated with graphics and diagrams in order to present the ownership and control structure

³ In case of securities ownership, to indicate the stock registrar.

- 4.1. Copies of the final or most recent versions of all documents or their projects bringing about the concentration, whether by agreement between the parties to the concentration, acquisition of a controlling interest of a public bid.
- 4.2. Copies of the Financial Reports for the precedent year of the concentration;
- 4.3. Copies of the charters of the parties to the economic concentration;
- 4.4 Copy of the public offering document, if the document is not available at the notification date, it will be submitted as soon as possible, but not later than the date on which it is addressed to the shareholders;
- 4.5 Copy of the National Bank of Moldova approval (concerning banks);
- 4.6. copies of reports, studies, surveys, and any comparable documents prepared by or for any member(s) of the board of directors, or the supervisory board, or the other person(s) exercising similar functions (or to whom such functions have been delegated or entrusted), or the shareholders' meeting, for the purpose of assessing or analyzing the concentration with respect to market shares, competitive conditions, competitors (actual and potential), the rationale of the concentration, potential for sales growth or expansion into other product or geographic markets, and/or general market conditions.

For each of these documents, indicate (if not contained in the document itself) the date of preparation, the name and held position of each individual who prepared each such document.

SECTION 5 Market Definition

In the process of notifying the concentration it is extremely important that the parties give a precise and motivated definition of the affected relevant market

Notifying parties shall submit the information on:

- 5.1. affected markets in the result of the economic concentration;
- 5.2. other markets that those mentioned at 5.1, where the concentration may have a significant effect, depending on the product and geographic area.

To allow the competition authority to assess the impact of the economic concentration over the competition on the markets mentioned at 5.2, the notifying parties shall submit information required for the affected markets as specified at Sections VI and VII also for such markets.

SECTION 6. Information on Affected Markets

For each affected relevant product market, for each of the last three financial years, the following information shall be provided:

- 6.1. list of products manufactured and/or commercialized by the involved parties in the concentration, as such products are defined by the undertakings for marketing purpose (according to the Goods Nomenclature of the Republic of Moldova);
- 6.2. an estimate of total size of the market in terms of sales value and volume (in units). Indicate the basis and sources for the calculation and provide documents where available to confirm these calculations;
- 6.3. the sales in value and volume, as well as an estimate of the market shares of each party in the concentration;
- 6.4. an estimate of the market share in value (and where appropriate, volume) of all competitors (including importers)

having at least 5 % of the market under consideration. On this basis, provide an estimate of the HHI⁴ index pre- and post-economic concentration. Indicate the proportion of market shares used as a basis to calculate the HHI. Identify the sources used to calculate these market shares and provide documents where available to confirm the calculation;

6.5. the name, address, telephone number, fax number and e-mail address for the competitors identified under 6.4;

6.6. an estimate of the total value and volume and source of imports (country of origin) and identify:

- (a) the proportion of such imports that are derived from the groups to which the parties to the concentration belong;
- (b) an estimate of the extent to which any quotas, tariffs or non-tariff barriers to trade, affect these imports;
- (c) an estimate of the extent to which transportation and other costs affect these imports;

6.7 the manner in which the parties to the concentration produce, price and sell the products for example, whether they manufacture and price locally, or sell through local distribution facilities;

6.8 a comparison of price levels used by each party to the concentration and a similar comparison of price levels used by their competitors, listed in 6.4.

6.9 the nature and extent of vertical integration of each of the parties to the concentration compared with their largest competitors.

SECTION 7. General Conditions in Affected Markets

7.1. Identify the five largest independent suppliers⁵ to the parties to the concentration and their individual shares of purchases from each of these suppliers (of raw materials or goods used for purposes of producing the relevant products). Provide the name, address, telephone number, fax number and e-mail address for each of these suppliers.

Structure of Supply of the Affected Market

7.2. Describe the distribution channels and service networks that exist in the affected markets. In so doing, take account of the following where appropriate:

- (a) the distribution systems prevailing in the market and their importance. To what extent is distribution performed by third parties and/or undertakings belonging to the same group as the parties identified in Section 3?
- (b) the service networks (for example, maintenance and repair) prevailing and their importance in these markets. To what extent are such services performed by third parties and/or undertakings belonging to the same group as the parties identified in Section 3?

⁴ HHI stands for Herfindahl-Hirschman Index, a measure of market concentration. The HHI is calculated by summing the squares of the individual market shares of all the firms in the market. For example, a market containing five firms with market shares of 40 %, 20 %, 15 %, 15 %, and 10 %, respectively, has an HHI of 2 550 (40² + 20² + 15² + 15² + 10² = 2 550). The HHI ranges from close to zero (in an atomistic market) to 10 000 (in the case of a pure monopoly). The post-merger HHI is calculated on the working assumption that the individual market shares of the companies do not change. Although it is best to include all firms in the calculation, lack of information about very small firms may not be important because such firms do not affect the HHI significantly.

⁵ And precisely the suppliers that are not companies with a majority possession, agents or companies belonging to the group. Besides these 5 largest independent suppliers, the notifying parties can identify, in the case which they deemed necessary for the dossier's proper evaluation, the intra-group suppliers. Same thing is applicable for point 7.6 regarding the clients.

7.3. Provide an estimate of the total capacity at the level of the Republic of Moldova for the last three years. Over this period, what proportion of this capacity is accounted for by each of the parties to the concentration?

7.4. Specify whether any of the parties to the concentration, or any of the competitors, have products likely to be brought to market in the near term, or plans to expand (or contract) production or sales capacity. If so, provide an estimate of the projected sales and market shares of the parties to the concentration over the next three years.

7.5. If you consider any other supply-side considerations to be relevant, they should be specified.

Structure of Demand on Affected Market

7.6. Identify the five largest independent customers of the parties in each affected market and their individual share of total sales for such products accounted for by each of those customers. Provide the name, address, telephone number, fax number and e-mail address for each of these customers.

7.7. Describe the structure of demand in terms of:

- (a) the phases of the markets in terms of, for example, take-off, expansion, maturity and decline, and a forecast of the growth rate of demand;
- (b) the importance of customer preferences, for example in terms of brand loyalty, the provision of pre- and after-sales services, the provision of a full range of products, or network effects;
- (c) the role of product differentiation in terms of attributes or quality, and the extent to which the products of the parties to the concentration are close substitutes;
- (d) the role of switching costs (in terms of time and expense) for customers;
- (e) the degree of concentration or dispersion of customers;
- (f) segmentation of customers into different groups with a description of the 'typical customer' of each group;
- (g) the importance of exclusive distribution contracts and other types of long-term contracts; and
- (h) the extent to which public authorities, State enterprises or similar bodies are important participants as a source of demand.

Market Entry

7.8. Over the last five years, has there been any significant entry into any affected markets? If so, identify such entrants and provide the name, address, telephone number, fax number and e-mail address and an estimate of the current market share of each such entrant. If any of the parties to the concentration entered an affected market in the past five years, provide an analysis of the barriers to entry encountered.

7.9. In the opinion of the notifying parties, are there undertakings that are likely to enter the market? If so, identify such entrants and provide the name, address, telephone number, fax number and e-mail address. Explain why such entry is likely and provide an estimate of the time within which such entry is likely to occur.

7.10. Describe the various factors influencing entry into affected markets, examining entry from both a geographical and product viewpoint.

Cooperative Agreements

7.11. To what extent do cooperative agreements (horizontal, vertical, or other) exist in the affected markets?

7.12. Give details of the most important cooperative agreements engaged in by the parties to the concentration in the affected markets, such as research and development, licensing, joint production, specialization, distribution, long term supply and exchange of information agreements and, where deemed useful, provide a copy of these agreements.

Trade Associations and Employers' Associations

7.13. With respect to the trade associations/employers' associations in the affected markets:

- (a) identify those of which the parties to the concentration are members; and
- (b) identify the most important trade/employers' associations to which the customers and suppliers of the parties to the concentration belong.

Provide the name, address, telephone number, fax number and e-mail address of the appropriate contact person for all trade/employers' associations listed above.

SECTION 8. Overall Market Context and Efficiencies Increase

8.1. Describe the worldwide context of the proposed concentration, if it is the case, indicating the position of each of the parties to the concentration outside of the Republic of Moldova in terms of size and competitive strength.

8.2. Describe how the proposed concentration is likely to affect the interests of intermediate and ultimate consumers and the development of technical and economic progress.

8.3. Please provide a description of, and supporting documents relating to, each efficiency increase (including cost savings, new product introductions, and service or product improvements) that the parties anticipate will result from the proposed concentration relating to any relevant product.

SECTION 9. COOPERATIVE EFFECTS OF A JOINT VENTURE

Provide the answers to the following questions:

- a) Two or more parent companies continue in a significant manner to carry activities:
 - on the same market with the new commonly incorporated company, or
 - or on a market that is in the upstream or downstream from the new commonly incorporated company's market, or
 - or a neighboring market tightly linked to the new commonly incorporated company's market?

If so, indicate for each of the concerned markets:

- total turnover of the parent company for the previous year;
- economic importance of the parent company's activity (which can be expressed through its total turnover) reported to this total turnover;
- the market share of the parent company.

If not applicable, justify the response.

- b) If the response to point a) is positive and if estimated that the incorporation of the common company does not lead to coordination between independent companies, which restrains the competition, explain why.
- c) Without bias for the responses to questions a) and b) and for ensuring the possibility of complete evaluation by the competition authority, indicate the way of application of criteria provided by legislation.

SECTION 10. DECLARATION

Where notification is signed by representatives of undertakings, such representatives must produce written proof that they are authorized to act. Such written authorization must accompany the notification.

The notification must conclude with the following declaration which is to be signed by or on behalf of all the notifying parties:

"This notification contains ... pages. The notifying party or parties declare that, to the best of their knowledge and belief, the information given in this notification is true, correct, and complete, that true and complete copies of documents required by the form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The parties are aware of the provision of article 68 para. (1) a) and b) of the Competition Law.

Place and date:

Signatures:

Name and position:"