

**APPLICATION FORM
for the authorisation of a concentration
pursuant to Section 24 of
Act LVII of 1996 on the Prohibition of
Unfair and Restrictive Market Practices**

To be used for applications submitted after 31 July 2013

Before completing the application form, please consult the *Guide to the application form for the authorisation of a concentration pursuant to Section 24 of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices* available on the website of the Hungarian Competition Authority.
(<http://www.gvh.hu/domain2/files/modules/module25/190358750026BDB30.pdf>)

Application

[Name, registered office, postal address for the purposes of this procedure (if different from the registered office) of the applicant(s)]

as applicant(s), through the (legal) representative as certified by the authorisation attached hereto, pursuant to Section 24 and Section 28 ([or 1 or 4]of Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices

**hereby apply to the Hungarian Competition Authority for the
authorisation**

of the concentration described in Point I below, for the reasons described in detail in Points II-[V or VII].

[Date and place]

[signature]

Other requests, representations

1. Data and information in the application or in the documents attached for which confidential treatment is requested

I/we hereby request that in view of the confidential character of information in the following sections of the application or in the following documents attached (in the specified parts thereof), access to and making copies/taking notes of such is restricted for the reasons stated below:

Please state whether, pursuant to section (3) 55 of the CA, you request, with reference to the need of protection of business secrets, the limitation of access to or of the making of copies or taking of notes of documents in respect of any data or information disclosed in the application or in any document appended thereto. If so, please state the number of the section of the form or of the attached document as indicated in Part VIII, as well as the data sufficient for the textual identification of the data or information to be treated as business secrets and – for each piece of data or information – the justification for such treatment of the data or information, outlining the interest to be protected that would be damaged if it became known to unauthorised persons. (In respect of data or information or – where applicable – other documents in the application form that are to be treated as business secrets, it is sufficient to enable their textual identification by highlighting them in grey, by referring to this fact in this section, and by providing sufficient justification for their treatment as business secrets).

2. Absent or limited responses to questions in the application form

If in your view, in light of the characteristics of the proposed concentration, it is not necessary to answer a particular question or to attach a document requested in the application form, either in its entirety or in the depth required in the application form, or if a question is not applicable to the concentration at hand, please state which questions or parts of questions (or documents or parts of documents if applicable) fall into this category, providing detailed justification that the information concerned need not be provided, or that the question is not applicable to the concentration concerned, and demonstrate that in the absence of such information the application still contains all the facts and data necessary for the assessment of the application.

I. Subject of the application for the authorisation of a concentration

- I.1.** Provide a brief description of the salient features of the concentration specifying the participants, the type of concentration (in accordance with Section 23 of the CA), the areas of operation and markets of the participants, identifying in particular the relevant markets affected by the concentration. Give a brief description of the expected organisational and market consequences of the concentration on the major markets.

- I.2.** Provide a summary (not exceeding 500 words) of the information covered in section I.1. without disclosing any business secrets, which the GVH may use in notices to the general public or in its contacts with market players. The GVH publishes the summary without making any changes, so please seek to describe the concentration in a manner that is coherent and comprehensible, avoiding the use of abbreviations.

II. Participants of the concentration

Please answer the questions in this Part, with the exception of point II.2.2., *separately for each undertaking or group of undertakings.*

II.1. The direct participants of the proposed concentration [Article 26(2) of the CA]

II.1.1. Please provide the following data for the direct participants:

- a) direct participant's name, registered office, mailing address (if different from the registered office), telephone number, fax number, and e-mail address;
- b) name, address, telephone number, fax number, and e-mail address of the representative of the direct participant [Sections 40-40/A of the PAPA, Section 54(2) of the CA]; furthermore, in the case of legal representatives, the title or position of the representative, and in the case of an authorised representative, the fact that he acts in such a capacity in accordance with Section 54(2) of the CA;
- c) if the undertaking has no registered office, no postal address for the purposes of this procedure or no representative in Hungary, the name of the agent for the purposes of this procedure and his/her postal address in Hungary.

II.1.2. Describe

- a) corporate history;
- b) position in the group of undertakings, the current control relationships, explaining any existing ownership and/or control links between the direct participant and any member of the other group of undertakings participating in the concentration, as well as any joint control with the participation of the direct participant and undertaking(s) independent [Section 15(1) of the CA] of the group of undertakings participating in the concentration (also illustrate the control relations both before and after the concentration in diagrams).

II.1.3. Describe

- a) the direct participant's existing business activities, detailing those aspects that are located in Hungary or that affect the Hungarian markets;
- b) the expected consequences of the concentration on the business activities of the direct participant, especially those aspects that are relevant for Hungary;
- c) any closed or ongoing proceedings of the European Commission as competition authority or of a national competition authority, conducted in the 2 years preceding the concentration, involving the direct participant (proceeding authority, ID number

of proceedings, the enterprise involved as well as the outcome of the proceedings or the status of ongoing proceedings).

II.2. Indirect participants of the proposed concentration [Article 26(3) of the CA]

II.2.1. Provide the following information regarding those indirect participants *with links to the Hungarian markets*:

- a) a brief corporate history;
- b) structure of the undertaking (corporate units organised around business lines, activities, geographical location or any other criterion, etc.), control relationships;
- c) business activities of the undertaking, particularly their effects on the Hungarian markets;
- d) expected effect of the concentration on the business activities of the undertaking, with particular emphasis on changes affecting the Hungarian markets.

II.3. Groups of undertakings participating in the concentration [Article 15 (2) of the CA]

II.3.1. Provide the following information regarding each group of undertakings participating in the concentration:

- a) brief history of the group of undertakings as a whole;
- b) the whole structure of the group of undertakings (parts of the group organised around business lines, activities, geographical location or any other criterion, etc. including also those undertakings that have links to markets outside of Hungary); illustrate the group structure before and after the concentration also in a diagram;
- c) activities of the various parts of the group if not discussed above.

II.3.2. Describe the relations existing before the proposed concentration between the undertakings or groups of undertakings participating in the concentration and other undertaking(s) independent [Article 15 (1) of the CA] of the undertakings or groups participating in the concentration, as follows:

- a) control (name of the controlling and controlled undertakings, percentage of ownership and/or controlling rights);
- b) personnel overlaps (executive official positions held by the same person);
- c) powers relating to executive officials (right to appoint, elect or remove any executive official);
- d) ability to influence decisions (ability of one undertaking to influence the decisions of another undertaking);

e) other significant contractual economic relationships (significant economic relations between undertakings participating in the concentration and other undertakings independent of the participants or their groups that may have a decisive influence on the operation of other market actors).

II.3.3. Describe any closed or ongoing proceedings of the European Commission as competition authority or any national competition authority, conducted in the 2 years preceding the concentration, involving the groups of undertakings participating in the concentration (proceeding authority, ID number of proceedings, respondent enterprise as well as the outcome of the proceedings or the status of ongoing proceedings) that have not been covered under point II.1.3.c).

III. Turnover of direct and indirect participants

Please provide answers to the questions in this Part separately *for each group of undertakings* participating in the concentration.

- III.1.** In the table below, indicate the turnover figures of the participating undertakings as defined in Articles 24 and 27 of the CA.

| I. name of the group of undertakings and its members | Net turnover achieved in Hungary in the preceding business year by the participants of the concentration, in million HUF | |
|---|--|--|
| | II. in accordance with Articles 24 and 27 (2)-(4) of the CA | III. narrowed in acc. with Article 27(1) of the CA |
| 1. Direct participant(s) [Article 26(2) of the CA] | | |
| | | |
| | | |
| 2. Indirect participant(s) | | |
| 2.1. Undertakings controlled directly or indirectly by a direct participant [Article 26(3) and point a) of Article 15(2) of the CA] | | |
| | | |
| | | |
| 2.2. Undertakings controlling a direct participant directly or indirectly [Article 26(3) and point b) of Article 15(2) of the CA] | | |
| | | |
| | | |
| 2.3. Undertakings other than the direct participants controlled directly or indirectly by the undertakings listed in point 2.2. [Article 26(3) and point c) of Article 15(2) of the CA] | | |
| | | |
| | | |
| 2.4. Undertakings controlled jointly by the undertakings listed under points 1. and 2.1-2.3 [Article 26(3) and point d) of Article 15(2) of the CA] | | |
| | | |

| | | Net turnover achieved in Hungary in the preceding business year by the participants of the concentration, in million HUF | |
|---|--|--|--|
| I. name of the group of undertakings and its members | | II. in accordance with Articles 24 and 27 (2)-(4) of the CA | III. narrowed in acc. with Article 27(1) of the CA |
| | | | |
| Total (group of undertakings): | | | |
| | | | |
| 2.5. Undertakings controlled jointly by the undertaking(s) listed under points 1. and 2.1-2.4 and other undertaking(s) [Article 24 (1) and Article 17(5) of the CA] | | | |
| | | | |
| | | | |
| Total (relevant net turnover): | | | |
| | | | |
| | | | |
| | | | |

- III.2.** If the concentration is subject to authorisation due to the aggregation rule set out in Article 24(2) of the CA, information must be provided in the table below on the concentrations which took place within the two-year period preceding the concentration concerned between the group of undertakings acquiring control (or expanding otherwise) and the group of undertakings the controlling powers of which are relinquished as a result of the concentration.
- III.3.** In the table below, indicate the turnover thresholds set out in Article 1 (2) of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (hereinafter: Council Regulation (EC) No 139/2004).

| I. Date of the previous concentration | II. Name of the undertaking becoming part of the group of undertakings as a result of the previous concentration | III. Net turnover realised by the undertaking indicated in point II. in the business year prior to the previous concentration (million HUF) | IV. Net turnover without sales to the other participants of the earlier concentration in the year prior to the previous concentration (million HUF) |
|--|--|---|--|
| 1. | | | |
| 2. | | | |
| ... | | | |

If the total Community-wide income of groups of undertakings concerned exceeds 2.5 billion EUR, this provides justification as to why the concentration cannot be regarded as Community-wide pursuant to Article 1(4) of Council Regulation (EC) No. 139/2004.

IV. Description of the concentration

IV.1. Describe the background and circumstances of the proposed concentration or transaction, detailing the following aspects:

- a) the commercial motivation of the proposed concentration, circumstances of its implementation (including its causes, purpose, timing, expected impacts, underlying market trends), other potential investors in respect of the proposed transaction, parties that expressed interest as well as negotiations, if any;
- b) process of and considerations behind the selection of the participants of the concentration and of the decision making;
- c) form of initiation of the concentration process (e.g., public bid for purchase/sale, announcement of a public bid, competitive tender, etc.).

IV.2. Describe

- a) the content of the contract giving rise to the concentration and other related documents and, additionally, the method of effective control after the acquisition of control transaction;
- b) the type of the proposed concentration in accordance with Article 23 of the CA (merger, takeover, acquisition of sole or joint control or direct or indirect control, acquisition of a part of an undertaking, establishment of a joint venture, etc.).

IV.3. Describe the restrictive effects of the contract giving rise to the concentration or other related documents, and explain why they can be considered as restrictive in relation to the concentration.

IV.4. Describe the following:

- a) whether the entire undertakings or groups, or only certain parts of them, will participate in the practical implementation of the concentration, and the reasons for this;
- b) the structural changes planned or implemented in the groups in the context of the proposed concentration;
- c) whether the proposed concentration is part of a concentration process between enterprises;

- d) whether the public bid made at the launch of the proposed concentration enjoys the support of the management, supervisory board or any other representative body of the group to be acquired.

IV.5. Describe the contents of agreements independent of the contract giving rise to the concentration which may have a decisive influence on the market operation of the participating undertakings or groups of undertakings or of other market actors.

IV.6. Provide information on the following:

- a) whether the proposed concentration or any related transaction has been notified to the European Commission as competition authority or to a competition authority of any other country, or whether such notification is intended;
- b) when and to which competition authority such a notification was filed or is planned to be filed, when the procedure of that competition authority is expected to be closed or if the procedure is already closed at the time of this filing, its outcome;
- c) whether the proposed concentration has been the subject of a case referral pursuant to Article 4(4) or Article 9 of Council Regulation (EC) No 139/2004.

IV.7. If, as a precondition of the implementation of the proposed concentration or of a part thereof, a legal regulation or an EU legal act requires the satisfaction of additional requirements, or if the authorisation of the proposed concentration by the GVH, as set out in the CA, requires the use of rules different from the general rules, or if special authorisations or other regulatory procedures are required in addition to the ones mentioned in point IV.6., state

- a) the special legal regulation applicable;
- b) how you have satisfied, or intend to satisfy, the requirements concerned; the basis for the application of these additional rules for the authorisation of the concentration, as well as
- c) where applicable, when and with which body any required regulatory procedure has been or will be initiated, describing the status of the procedure and if the procedure has been closed at the time of this filing, its outcome.

V. Significantly overlapping or related markets

In this part, information must be provided on the overlapping or related activities performed in certain specific geographic areas by the (direct and indirect) participants of the concentration [range of goods produced or distributed or services supplied]. The purpose of this section is to identify *overlapping* or *related markets* in which the participants are, or may reasonably be, present. It also sets out to establish those markets in which the concentration would, with a sufficient level of certainty, not lead to the effective weakening of competition under any reasonable, potential definition of the product or geographical markets.

Note: For the purposes of this Part and Part VI, the terms “overlapping market” and “related market” do not imply overlaps or related markets in respect of the definitive relevant markets within the meaning of competition law, to be used for the assessment of the transaction concerned (market definitions); instead, they refer to relevant markets that can be *reasonable* based on Article 14 of the CA, which may serve as the starting point for the definition of the relevant market pursuant to Article 14 of the CA.

For the purposes of this Part and Part VI,

1. a market is considered to be *overlapping* if a horizontal overlap exists or may evolve between the activities of the participants to the concentration in a given geographical area.

A market is also overlapping if only one of the participants is currently active in a market but in the case of an undertaking within the other group of undertakings participating in the concentrations, the conditions for timely and sufficient market entry exist, i.e., they can be considered potential competitors.

2. a *market definition resulting in a significant overlap* means a market definition (combination of product and geographical markets) that can potentially be reasonably considered where the total of the market shares of the participants of the concentration is at least 15%.
3. an activity is *significantly overlapping* if in respect of the activity there is at least one market definition resulting in a significant overlap.
4. a market pair is deemed to constitute *related markets* if
 - a) there is a vertical relationship between the activities of the participants of the concentration (the output of the activity of one party is an input to the other party, thus one party appears as the seller and the other as the buyer on the given market), so one of the participants is (also) active in a market in the downstream market of which another participant is (also) active, irrespective of whether the participant undertakings have actual supplier relations; or
 - b) there is some other type of actual relationship between the markets (e.g., the outputs of certain activities of the participating undertakings are complementary to each other or the products are typically purchased or used by the same scope of trading parties or consumers for the same purpose).
5. a *market definition pair resulting in a significant relation* means market definitions that can reasonably be considered (combinations of product and geographical markets) where for one of the markets (in case of vertical relation either on the seller or on the buyer side or the market) the market share of the participant (or aggregate market share of

participants) active in the market concerned is at least 25%.

6. *significantly related markets* exist where there is at least one pair of market definitions resulting in a significant relation,
7. *product* means any product manufactured or distributed or any service provided.

V.1. Products of the participants of the concentration

- V.1.1.** Please specify the following for the undertakings directly or indirectly participating in the concentration, separately for each group of undertakings:
- a) any products that are present or may reasonably appear in Hungary (including the products of undertakings that make purchases in Hungary);
 - b) for each product specified under point a), the undertaking(s) producing or distributing the product concerned that is/are participating directly or indirectly in the concentration;
 - c) where applicable, for each product, the geographical location (country, town) of the three most significant sites per country of the manufacturing or distributing undertaking (manufacturing plant, site, branch, etc.) (hereinafter: site).
- V.1.2.** Indicate the products (activities) specified in the point above for which the concentration would result in a change.

The completion of tables similar to the one below for each group of undertakings may be helpful in answering the above questions.

Group of undertakings 1

| # | Product | Undertaking | Location |
|-----|---------|-------------|----------|
| 1. | | | |
| ... | | | |

V.2. Overlapping product markets

- V.2.1.** List all the products or product categories in respect of which overlapping markets can be identified using some reasonable potential product market definition. Briefly describe the products in such product categories (e.g., their typical use) and their possible segmentation or categorisation. For the purposes of this question, please focus exclusively on the product dimension, disregarding the geographical dimension for the time being.
- V.2.2.** For each product category identified in point V.2.1., provide the reasonable, potential product market definitions that resulted in overlaps.

- V.2.3.** For each product category identified in point V.2.1., give a brief explanation why a broader product market definition than the broadest possible product market specified, or a narrower product market (markets) than the narrowest product market(s) specified, would not be reasonable.

The completion of a table similar to the one below, separately for each product category, may assist in providing the answers and establishing the relevant product combinations.

Product category 1: ...

| # | Reasonable potential product market definition resulting in an overlap | Product(s) of an undertaking belonging to one group | Product(s) of an undertaking belonging to the other group |
|-----|--|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| ... | | | |

V.3. Geographical dimension of overlapping market

- V.3.1.** Identify the reasonable potential geographical dimensions that can be associated with the various potential product market definitions resulting in an overlap as identified in point V.2. (one possible product market definition often has several possible geographical market definitions associated).
- V.3.2.** For each product category, explain briefly why a broader geographical market than the broadest (largest geographic scope) possible geographical dimension specified, or a narrower geographical market (markets) than the narrowest geographical dimension(s) specified, would not be reasonable.

The completion of tables similar to the one below for the possible product definitions identified in the previous point may be helpful in answering the questions above.

| # | Reasonable potential product market definition identified | Reasonable potential geographical dimensions | | |
|-----|---|--|-----------|-----|
| | | Version 1 | Version 2 | ... |
| 1. | | Hungary | | |
| 2. | | Hungary | | |
| 3. | | Hungary | | |
| ... | | ... | | |

V.4. Market definitions resulting in significant overlaps

V.4.1. Provide the (estimated) sizes of the various reasonable overlapping markets (combinations of product and geographical market definitions resulting in overlaps) resulting in actual or potential overlaps, both in terms of the product market definition and the geographical market definition, as identified in your answer to question V.3., as well as the turnover of the participants of the concentration on the markets concerned in the previous closed business year (in million HUF) and their aggregate market shares calculated from the above data, by completing the table below. Identify the objective, verifiable sources of data used to estimate the sizes of the markets and aggregate market shares, providing the methodology used to arrive at the estimations.

| # | Reasonable potential product market definition resulting in an overlap | Reasonable potential geographical market definition resulting in an overlap | Size of market | Turnover of undertaking belonging to one group | Turnover of undertaking belonging to the other group | Market share of participants in aggregate |
|-----|--|---|----------------|--|--|---|
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| ... | | | | | | |

V.4.2. Based on your answers to question IV.4.1., identify the *market definition resulting in a significant overlap*, i.e., overlapping market definitions where the sum of the market shares of the participants of the concentration is at least 15%.

V.5. Related products

- V.5.1.** List all the products in respect of which related markets can be identified using some reasonable potential product market definition.
- V.5.2.** Describe, by pair, the type of relation between the products identified in point V.5.1. [e.g., vertical relationship (where one product is an input to another product) or complementary relationship, etc.].
- V.5.3.** Describe briefly, by pair, the products identified in point V.5.1. and the technological, economic, distribution or other linkages between them.

V.6. Related product markets

- V.6.1.** For the various products listed in point V.5., provide the reasonable potential product market definitions that result in related markets.
- V.6.2.** For each product category, give a brief explanation why a broader product definition than the broadest possible product market identified, or a narrower product market (markets) than the narrowest product market(s) identified, would not be reasonable.

The completion of tables similar to the one below may be helpful in answering the questions above.

Related product or product category 1: ...

| # | Product(s) | Reasonable potential product market definition resulting in related market |
|-----|------------|--|
| 1. | | |
| 2. | | |
| 3. | | |
| ... | | |

V.7. Geographical dimension of related markets

- V.7.1.** Identify the reasonable potential geographical market definitions that can be associated with the various potential product market definitions resulting in a relation as identified in point V.6. (one possible product market definition often has several possible geographical market definitions associated).
- V.7.2.** For each product category, give a brief explanation why a broader geographical market than the broadest (largest geographic scope) possible geographical dimension specified, or a narrower geographical market (markets) than the narrowest geographical dimension(s) specified, would not be reasonable.

The completion of tables similar to the one below for the possible product definitions identified in the previous point may be helpful in answering the questions above.

| # | Reasonable potential product market definition identified | Reasonable potential geographical dimensions | | |
|-----|---|--|-----------|-----|
| | | Version 1 | Version 2 | ... |
| 1. | | Hungary | | |
| 2. | | Hungary | | |
| 3. | | Hungary | | |
| ... | | ... | | |

V.8. Market definitions resulting in a significant relation between markets

- V.8.1.** Provide the (estimated) size of the product and geographical market definitions resulting in a relation between markets as identified in point V.7., as well as the turnover of the participants of the concentration on the markets concerned in the previous closed business year (in million HUF) and their market shares calculated from the above data, by completing the table below. Identify the objective, verifiable sources of data used to estimate the sizes of the markets and market shares, providing the methodology used to arrive at the estimations.

| # | Reasonable product market definition potentially resulting in a relation | Reasonable geographical market definition potentially resulting in a relation | Size of market | Turnover of undertaking(s) belonging to one group | Turnover of undertaking(s) belonging to the other group | Market share of participants in aggregate |
|-----|--|---|----------------|---|---|---|
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| ... | | | | | | |

- V.8.2.** Based on your answers to question V.8.1., identify the *market definition pairs leading to a significant relation*, i.e., pairs of market definitions where for any market (in case of vertical relation either on the seller or on the buyer side or the market) the market share of the participant active in the market or the aggregate market share of active participants is at least 25%.

VI. Information on the relevant markets affected by the concentration

Questions in Parts VI and VII should only be answered if the answers to questions V.4.2. and V.8.2. identified activities with significant overlaps or relations. If no significantly overlapping or related markets can be identified, the questions in parts VI and VII need not be answered.

If in respect of the concentration concerned, any of the questions in this part are not applicable, please note “not applicable”.

Considering that the questions in subsequent chapters are not “individualised”, some questions may be irrelevant for the assessment of the concentration concerned; the scope of those questions can be defined following prior consultation with the GVH.

In Parts VI and VII, where information on the previous 3 years and the next 2 years must be supplied,

1. “the previous 3 years” means the following:
 - a) if the time between the concentration or transaction and the end of the previous business year does not exceed six months, the previous 3 complete business years (e.g., in the case of business years from 1 April to 31 March, if the transaction occurs in July 2014, the period between 1 April 2011 and 31 March 2014);
 - b) if the time between the concentration or transaction and the end of the previous business year exceeds six months, the figures for the previous 3 complete business years, supplemented by the figures for the latest (complete) half business year (e.g., in the case of business years from 1 April to 31 March, if the transaction occurs in February 2015, the period between 1 April 2011 and 31 March 2014, supplemented by the period from 1 April 2014 to 30 September 2014);
2. “next 2 years” means in every case the year of the concentration or transaction and the next business year.

VI.1. Position of the participants of the concentration on the relevant markets

VI.1.1. In the table below, for all significantly overlapping or related markets, specify which of the possible product and geographical market definitions supplied in Part V you consider to be the most appropriate, i.e., in the view of the participants of the concentration, what are the relevant markets affected by the concentration as defined in Article 14 of the CA.

| Product market | Geographical market | Products of the participants of the concentration relating to the market |
|----------------|---------------------|--|
| | | |
| | | |
| | | |

VI.2. Information on the individual relevant markets

The following questions should be answered separately for each relevant market affected by the concentration as identified in your answer to question VI.1.1., with the proviso that you need to provide information about each market only once, irrespective of whether it is also related to another market or other markets.

You need to answer questions VI.2.4.–VI.2.9. only if in your answer to question VI.1.1.

1. a geographical market larger than Hungary was indicated, or there is significant competitive pressure on sales in Hungary from abroad; or
2. market(s) within Hungary show significant local characteristics.

Description of the substitutability of competing products

- VI.2.1.** Explain to what extent product differentiation is present in each relevant market; if products are not homogeneous, identify the main dimensions of product differentiation and the place of the main products of the participants of the concentration within these dimensions.
- VI.2.2.** If you associated differentiated products with a market, describe the degree of substitutability between the main products (close or distant substitutes) and form segments accordingly.
- VI.2.3.** Explain how strong brand loyalty is and how high the costs of switching are in the market; if switching costs are not negligible, quantify their magnitude compared to the appropriate indicator (e.g., product price, expenditures).

Description of the geographical dimension of competition

- VI.2.4.** Describe the typical mode(s) of transport for the products manufactured or distributed by the participants of the concentration.
- VI.2.5.** Based on the figures of the latest closed business year, describe the typical shipping distances and maximum reasonable shipping distance with the typical mode(s) of transport, furthermore,
- a) – if a geographical market larger than Hungary was defined for the market concerned or there is significant competitive pressure on sales in Hungary from abroad – describe the approximate percentage of products shipped from the relevant own sites to the following distances: 100, 200, 300, 500, 1000 km;
 - b) – if market(s) within Hungary show local characteristics – describe the approximate percentage of products shipped from the relevant own sites to the following distances: 25, 50, 100, 200 km.

VI.2.6. State

- a) the absolute value of shipping costs based on the figures of the previous closed business year;
- b) based on the figures of the previous closed business year, the ratio of the shipping costs to a representative product price for the typical mode(s) of shipment, as follows:
 - ba) if for the market concerned, a geographical market larger than Hungary was defined or there is significant competitive pressure on sales in Hungary from abroad, provide a breakdown of the ratio of shipping costs to a representative product price for shipping from the undertaking's own relevant sites to the following distances: 100, 200, 300, 500, 1000 km;
 - bb) if market(s) within Hungary show local characteristics, provide a breakdown of the ratio of shipping costs to a representative product price for shipping from the undertaking's own relevant sites to the following distances: 25, 50, 100, 200 km.
- c) the reasons for selecting the representative product price used in the answers under point b).

VI.2.7. Describe the typical directions of product flow and their weight and importance; if a geographical market larger than Hungary was defined or there is significant competitive pressure on sales in Hungary from abroad, also present available export and import statistics on the past 2 years.

VI.2.8. If a geographical market larger than Hungary was defined or there is significant competitive pressure on sales in Hungary from abroad, describe the similarities and differences between the market conditions in Hungary and the adjacent countries, their causes and typical extent (e.g., price differences, differences in quality or standards, different distribution systems, substantially different market actors and mechanisms etc.).

VI.2.9. If market(s) within Hungary show local characteristics, describe the similarities and differences between the various regions, their causes and typical extent (e.g., price differences, differences in quality or standards, different distribution systems, substantially different market actors and mechanisms etc.).

Description of the mechanisms of pricing and competition

VI.2.10. State, in the form of a description and also on a scale of 1 to 5 (1 = very weak, 5 = very strong), the intensity of competition in the market concerned along the following dimensions:

- a) price,
- b) quality,
- c) innovation,
- d) capacity,
- e) marketing,
- f) other: (other dimension(s) of competition considered important by the participants of the concentration – if selected, also state the reasons).

VI.2.11. Explain

- a) how long a product typically stays on the market;
- b) how often (at what intervals) substantially new products typically enter the market.

VI.2.12. Disclose the typical average size of transactions compared to the annual turnover of the market actors and state whether infrequent, high-volume transactions or frequent, low-volume purchases tend to be typical.

VI.2.13. Describe the typical term of the contracts for the distribution of products in the market concerned.

VI.2.14. In the table below, name the 10 most important (largest) buyers (clients) of the participants of the concentration in the relevant market in the past 2 years in aggregate, separately for each undertaking. For each buyer, specify the percentage of the revenues from the sale of the product concerned attributable to each buyer in the past 1 year [buyers with less than 1% need not be identified even if this means that fewer than 10 buyers (customers) remain to be named]

| Name of the buyer (customer) | Telephone number, fax number, e-mail address, website | The product bought | Buyer's share of the total turnover of the product last year (%) |
|------------------------------|---|--------------------|--|
| 1. | | | |
| 2. | | | |
| ... | | | |

VI.2.15. Specify the price indicator generally used in the industry (e.g., HUF/t, CPT, etc.).

VI.2.16. Explain whether in the market,

- a) sales are typically subject to a uniform pricing system (list price, plus a uniform system of discounts for buyers, if any), or
- b) prices and discounts are typically tailored to buyers (sale through competitive tenders constitutes a subcategory of sale at customised prices).

VI.2.17. Describe the system of discounts, if any, employed by participants of the concentration in their sales activities.

VI.2.18. Explain how transparent the market is in respect of pricing, what information the various market actors on the supply side have and from what sources, on the prices employed by their competitors.

VI.2.19. Explain at what intervals or on what basis prices tend to change in the market.

VI.2.20. Explain the sector-specific legal regulations or European legal acts relevant for the assessment of the effects on competition of the transaction in the areas of market competition and prices, or the relevant sections thereof; furthermore, describe any import restrictions.

Description of the supply side

VI.2.21. Explain the licensing or other regulatory processes required concerning the manufacture and distribution of the relevant products, the relevant market(s), the relevant industries and a possible market exit as well as their typical time requirement and cost.

VI.2.22. Explain your perception of the magnitude of the technical investment needed to enter the market concerned, if any, and the typical lead time and whether any special equipment is necessary for market entry that cannot be used elsewhere.

VI.2.23. Explain how much, in view of the terms specified in your answers to questions V.2.22–23, the approximate total cost of entry of a new market actor would be in HUF (assuming a greenfield project) and in what time frame that cost could be recovered in light of the present market expectations.

VI.2.24. Explain, based on the market trends at present and expected for the near future, the main barriers to entry and expansion that the various supply-side actors face and the significance of such barriers.

VI.2.25. If based on your previous answer the barriers to entry and expansion are significant, explain the cost structure of the industry; specify

- a) the main elements of cost in the manufacture or distribution of the products;
- b) their typical relative ratios;
- c) the approximate percentage of fixed and variable costs.

VI.2.26. Describe the strength of supply-side substitution on the market concerned; explain whether there are assets, technologies and know-how that are not currently used to produce the product(s) associated with the relevant market(s) but that are suitable for the

manufacture of such products and could be put into operation within a short time; specify such assets, technologies or know-how and the undertakings in possession of them.

VI.2.27. If the market concerned is a downstream part of a vertically related market, list in the table below the 5 most important suppliers (for the past 2 years) of the participant of the concentration present on the downstream market relating to the manufacture, distribution or purchase of the products sold in the market concerned; also, specify for each supplier the percentage of the input concerned purchased by the party to the concentration present on the downstream market from each supplier in the past 1 year (as a percentage of the inputs of the same nature purchased in the past 1 year by the participant of the concentration).

| Name of the supplier | Address, telephone number, e-mail address, website | The product bought | Share of purchase (%) |
|----------------------|--|--------------------|-----------------------|
| 1 | | | |
| 2 | | | |
| ... | | | |

Justification of the selected market definitions

VI.2.28. In light of your answers to the above questions (VI.2.1 to VI.2.27), give a detailed justification as to why in your assessment the markets identified in your answer to question VI.1.1. are to be considered the relevant markets affected by the concentration as defined in Article 14 of the CA; demonstrate why the proposed market definitions are more appropriate than any other potentially reasonable market definitions (see Part V).

Data sources

VI.2.29. Identify the data supplied, or required to be supplied, by the participants in the concentration in relation to their operation on the relevant markets; name the recipient public institution (including Hungarian, foreign and international institutions), the frequency and breakdown of reporting.

VI.2.30. List Hungarian chambers, trade associations and other interest representation bodies that are active in the field of operation of the participants of the concentration or in a field of operation affected by the concentration; explain what data is collected by the entities listed in connection with the markets concerned, the actors supplying the data, the

frequency and breakdown of reporting and the nature of data such entities supply or supplied to participants in the concentration.

VI.2.31. Explain if you are aware of any actor, not necessarily from within the sector, that regularly collects information about the market concerned (relying either on publicly available information or on purchased data), organises, analyses or makes available such data (either free of charge or for consideration); specify

- a) such actors as well as
- b) the data they collect on the market concerned, the entities in the sector they collect the data from, the frequency of data collection and the breakdown by product and time period,
- c) the information that market players may obtain from such entities and in what manner, and
- d) the data they supply or supplied to the participants of the concentration on the market concerned.

VI.2.32. Describe any internal proprietary databases and records the participants of the concentration have on the market activities of their competitors, the data and information collected in such databases, explaining the scope (subject) of market-related data, the breakdown of data by product and time period and the data sources.

Market developments

VI.2.33. Describe the main market developments that occurred in the past three years and the market developments that are expected to take place in the next two years that, in the opinion of the participants of the concentration, had or will have a significant effect on competition in the market (e.g., regulatory or technological changes, significant innovation, changes in cost levels, other demand-side or supply-side shocks, etc.); explain how each of these changes affected or may effect competition in the market.

VI.2.34. Explain if any new undertaking has entered or exited the relevant market(s) (specifying such undertakings) in the previous 3 years, and if you are aware of any undertaking that intends to enter the relevant market in the next 2 years.

VI.2.35. Describe price developments on the relevant market(s) in the previous 3 years; explain if there have been any substantial price or pricing policy changes in respect of any market player or product and if so, the factors underlying such changes as far as they are known to the participants of the concentration.

VI.2.36. In your opinion, which of the following statements is a better description of market competition:

- a) the markets of undertakings expand/contract parallel to the expansion/contraction of the market; or
- b) market players gain markets from each other.

VI.2.37. In your opinion, what temporal breakdown of data provides the best picture of market changes (e.g., monthly, bimonthly, quarterly, annual, etc.)?

VI.2.38. Demonstrate changes in the size of the total market in the previous 3 years and provide estimates for the next 2 years (use the indicator or unit of measure specified in the answers to questions V.4.1. and V.8.1. and the temporal breakdown specified in the answer to question VI.2.37, but broken down to at least annual periods, with the proviso that it is sufficient to provide projected figures in an annual breakdown).

Market power

VI.2.39. In the table below, list the major Hungarian and foreign competitors of the participants of the proposed concentration, including potential competitors.

| Name of the competitor | Address, telephone number, e-mail address, website | The product concerned |
|------------------------|--|-----------------------|
| 1. | | |
| 2. | | |
| ... | | |

VI.2.40. Describe the role, significance and market reputation of the undertakings specified in your answer to question VI.2.39.

VI.2.41. For each of the undertakings specified in your answer to question VI.2.39, list the main products of the undertaking on the market concerned and explain how close substitutes these are to the relevant products of the undertakings participating in the concentration and why; locate the main products of competitors in the product dimensions and segments in view of your answer to question VI.2.10.

VI.2.42. State the location of the sites of the undertakings listed in your answer to question VI.2.39. relevant for their sales in Hungary (country, town) and specify the products for which each site listed is significant in terms of manufacturing or distribution.

VI.2.43. State, on a scale of 1 to 5 (1 = very weak, 5 = very intensive), the intensity of the competitive pressure exerted by the undertakings specified in your answer to question VI.2.39 on the relevant market:

The completion of the table below may be helpful in answering the question above.

| Name of the competitor | Score (1-5) |
|------------------------|-------------|
| 1. | |
| 2. | |
| ... | |

VI.2.44. Explain in what manner and to what extent you take into account the market conduct of competitors, and of which competitors, when making your business decisions (particularly pricing).

VI.2.45. Describe the market role, significance and market strategy of the undertakings participating in the concentration; highlight the main similarities and differences to the roles, significance and strategies of the competitors listed in your answer to question VI.2.39. as described in the answer to question VI.2.40.

VI.2.46. Describe the changes in the previous 3 years of the average price level of the products of competitors listed in your answer to question VI.2.39. compared to the average price level of the products of the participants of the concentration, separately for each competitor.

VI.2.47. Explain how well the indicators below capture the importance in the market of the undertakings in the relevant market concerned and how well they measure market power

- a) turnover,
- b) volume sold,
- c) capacity,
- d) other (another indicator that, in the view of the participants of the concentration, is more appropriate for capturing the significance of the undertakings in the relevant market concerned – if selected, please explain your reasons).

VI.2.48. Explain what temporal breakdown of the indicator considered most appropriate by the participants of the concentration, as indicated in your answer to question VI.2.47., would

convey most efficiently the changes in the market significance (power) of the various undertakings (monthly, bimonthly, quarterly, annual, etc.).

VI.2.49. Describe the changes in the market significance of the undertakings and the market shares calculated from this for the previous 3 years in respect of the undertakings participating in the concentration and their major competitors, separately for each undertaking (use the indicator or unit of measure specified in the answer to question VI.2.47 as considered most appropriate by the participants of the concentration, and the temporal breakdown specified in the answer to question VI.2.48, but broken down to at least annual periods; in the absence of accurate figures, estimates may be provided).

The completion of a table similar to the one below may be helpful in answering the question above.

| Undertakings↓ | Period1 | | Period2 | | Period... | |
|---------------------------------|------------------------|-------|------------------------|-------|------------------------|-------|
| | Indicator (specify) | Share | Indicator (specify) | Share | Indicator (specify) | Share |
| Participant1 to concentration | | % | | % | | % |
| Participant2 to concentration | | % | | % | | % |
| Participant... to concentration | | % | | % | | % |
| Competitor1 | | % | | % | | % |
| Competitor2 | | % | | % | | % |
| Competitor... | | % | | % | | % |

VI.2.50. Describe the processes that, in your opinion, underlie the changes in the market shares as outlined above.

VII. Effects of the concentration on the market

After the discussion of individual markets, in this part information is requested on effects relating to an individual market or a market pair. If there is more than one effect, horizontal or otherwise, relating to a market or market pair, the effects relevant for the market or market pair concerned should be described separately in parts VII.1. and VII.2.

Questions VII.1.1.–VII.1.5 and the questions in section VII.2. should be answered separately for each significantly overlapping market or significantly related market pair specified in your answer to question VI.1.1.

VII.1. Effects of the merger in the case of significantly overlapping markets

VII.1.1. Explain the expected changes of the concentration on the significantly overlapping market concerned in terms of the pricing, product positioning and marketing strategies of the participants of the concentration, also highlighting which formerly independent undertakings or products are affected by the changes.

VII.1.2. Describe the expected effects of the changes explained in your answer to question VII.1.1. on the significantly overlapping market

- a) on competition in the market in general,
- b) on prices, quality or other important dimensions of competition,
- c) on the participating undertakings (separately for each of the participants of the concentration),
- d) on the actual and potential competitors of the participants of the concentration, and
- e) on trading parties and consumers.

VII.1.3. State whether in your opinion the concentration, due to its horizontal effects, would result in a substantial lessening of competition in the significantly overlapping market concerned and whether, as a special subset, it would create or strengthen a dominant position.

VII.1.4. Explain if there is any market factor that offsets or may offset the effects on competition as described above (e.g., competitors, new entry, buyer power, etc.), and if such factors exist, briefly describe their mode of action.

VII.1.5. If you consider that the proposed concentration would be conducive to more effective production, service provision or distribution in the significantly overlapping market concerned, explain such efficiencies and their scale, elaborating on why such efficiencies are available only through the concentration, how and to what extent they would be

passed on to trading parties and consumers (e.g., lower prices or improved quality) and how they can be quantified.

VII.2. Effects of the merger in the case of significantly related markets

VII.2.1. Describe the role of vertical or other complementary relationships between the significantly related markets in the pre-concentration market conduct and strategies of the undertakings concerned [was there some degree of vertical integration or other sales strategy to exploit the relationship of complementary products between the participants of the concentration (e.g., connected sales)]

VII.2.2. Explain the expected changes in the pricing and distribution strategies of the participants resulting from the concentration in the significantly related markets concerned, with particular emphasis on the markets or undertakings expected to be affected (in the case of vertical relations, detail the changes expected in vertical integration while in the case of other complementary relationships, describe the changes expected in the distribution strategy exploiting such relations).

VII.2.3. Describe the expected effects of the changes explained in your answer to question VII.2.2. in the significantly related markets (separately for each market)

- a) on competition in the market in general,
- b) on prices, quality or other important dimensions of competition,
- c) on the participating undertakings (separately for each of the participants of the concentration),
- d) on the actual and potential competitors of the participants of the concentration, and
- e) on trading parties and consumers.

VII.2.4. State whether in your opinion the concentration, due to its non-horizontal effects, would result in a substantial lessening of competition in either of the significantly related markets concerned and whether, as a special subset, it would create or strengthen a dominant position.

VII.2.5. Explain if there is any market factor in either of the significantly related markets that offsets or may offset the effects on competition as described above (e.g., competitors, new entry, buyer power), and if such factors exist, briefly describe their mode of action.

VII.2.6. If you consider that the proposed concentration would be conducive to more effective production, service provision or distribution in the significantly overlapping market concerned, explain such efficiencies and their scale, elaborating on why such efficiencies

are available only through the concentration, how and to what extent they would be passed on to trading parties and consumers (e.g., lower prices or improved quality) and how they can be quantified.

VII.3. Commitments

- VII.3.1.** If, in order to mitigate any adverse effects of the proposed concentration on competition based on the answers to questions in parts VII.1. or VII.2., the participants of the concentration are prepared at the time of this filing to accept the imposition, in the decision granting authorisation, of commitments, pre- or post-conditions as defined in Article 30 (3) of the CA, please specify these.
- VII.3.2.** In respect of the commitment(s) or condition(s) specified in the previous point, describe how they, individually or in aggregate, can remedy the competition concerns identified in Parts VII.1. or VII.2. and other disadvantages.

VIII. APPENDICES

Attach to the application the documents supporting the facts and data disclosed in the application, in particular the contract(s) giving rise to the concentration or other document(s) serving as proof of the acquisition of control, any other documents directly relating to the implementation of the concentration as well as the annual reports of the groups of undertakings concerned or of the top-level controlling undertaking of the group in respect of the closed business year preceding the concentration.

For the authorisation of a proxy or agent for the service of process, the authorisation needs to be attached in the format set out in Article 40/A of the PAPA.

The documents must be submitted in their original form or as certified copies, taking into consideration the requirements set out in Article 52(2) of the PAPA.

In respect of documents specified in point VIII.1. issued in a language other than Hungarian as well as documents listed in points VIII.2.1. and VIII.2.2., the certified Hungarian translations must also be attached with the proviso that in the case of documents listed in points VIII.2.1. and VIII.2.2. issued in English, the parts having no relevance for the assessment of the case (e.g., labour relations, financing techniques) need not be translated if in this respect certified translation would impose disproportionate burdens on the applicant; instead, it is sufficient to present such parts in detail in point IV.2.

In the case of documents listed in points VIII.2.3., and VIII.3 and issued in a foreign language (other than English), the Hungarian translation of the parts of the document relevant to support the data and information provided in the application form must also be attached.

If during its proceedings the GVH considers that the certified Hungarian translation of the document or a certain part of the document is necessary, it will ask for the translation in its call for the remedy of deficiencies or, if the need arises at a later point, in a request for further information.

In this part the list of documents must be supplied, allocating serial numbers F/1, F/2, ..., F/n to the documents. Provide the serial number of the document attached in the breakdown set out below as well as a brief description of their content (in a few words).

The attachment of documents requested in point VIII.2.4 is obligatory only in case of identifying significantly overlapping/related markets (in case of completing chapters VI-VII.)

See point 1. of “Other requests, representations”.

VIII.1. Authorisation of proxies or agents for the service of process

VIII.1.1. Document(s) certifying the authorisation of the representative(s) of applicant(s) to act as proxy:

VIII.1.2. Document(s) certifying the authorisation of the representative(s) of other direct participant(s) who are not considered parties to act as proxy:

VIII.1.3. Authorisation of the agent for the service of process:

VIII.2. Documents relating to the implementation of the concentration

VIII.2.1. The contract(s) giving rise to the concentration:

VIII.2.2. Other document(s) certifying the acquisition of control:

VIII.2.3. Other documents directly related to the implementation of the concentration:

VIII.2.4. Document(s) related to the preparation of the concentration, especially the records made at the meetings of the governing bodies of the undertakings concerned, where the conclusion about and the preparation of the transaction was on the agenda, moreover presentations, analyses, reports and studies related to the transaction made for the preparation of the decision-making (obligatory only in case of identifying significantly overlapping/related markets, on completion of chapters VI-VII.)

VIII.3. Documents to substantiate the turnover data and other information supplied in the application form

VIII.3.1. Annual reports of the direct participant groups of undertakings (or their top-level controlling undertaking) for the closed business year preceding the concentration:

VIII.3.2. Other documents to substantiate information supplied in the application form: