REGULATION No.11/2017

for amending and supplementing the Regulation of the Supervisory Authority no. 3/2016 on the applicable criteria and the procedure for the prudential assessment of acquisitions and increase of shareholdings in the entities regulated by the Financial Supervisory Authority

In accordance with the provisions of art. 2 paragraph (1), art. 3 paragraph (1) letter b) and art. 6 paragraph of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, approved with amendments and additions under Law no. 113/2013, with subsequent amendments and additions,

pursuant to the provisions of art. 8 paragraph (8) and art. 43-48 and art. 179 paragraph (4) of Law no. 237/2015 on the authorization and supervision of the insurance and reinsurance business, as subsequently amended, of art. 8 paragraph letter h), art. 126 paragraph (1) letter c), art. 148 paragraph (1) letter f) and art. 159 paragraph (3) of Law no. 297/2004 on the capital market, with subsequent amendments and additions, of art. 62 paragraphs (3) and (4), art. 63 paragraph (1) and (2), art. 68, art. 70 letter f) and art. 72 paragraph (2) letter b) -f) of Law no. 411/2004 on privately managed pension funds, republished, with subsequent amendments and additions, of art. 4 paragraph (3) letters b) -f) and paragraph (4), art. 19 and art. 21 paragraphs (3) and (4) of Law no. 204/2006 on voluntary pensions, with subsequent amendments and additions, of art. 9 paragraph (1) letter d) of the Government Emergency Ordinance no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies and amending and supplementing Law no. 297/2004 on the capital market, approved with amendments and additions by Law no. 10/2015, with subsequent amendments and additions, and of art. 7 paragraph (2) letter b) of Law no. 74/2015 on alternative investment fund managers, with subsequent amendments and additions,

according to deliberations of the Financial Supervisory Authority's Board in the meeting of October 18, 2017,

The Financial Supervisory Authority issues this regulation.

Art. I. –The Regulation of the Supervisory Authority no. 3/2016 on the applicable criteria and the procedure for the prudential assessment of acquisitions and increase of shareholdings in the entities regulated by the Financial Supervisory Authority published in the Official Gazette of Romania, Part I, no. 251 of 5 April 2016, shall be amended and supplemented as follows:

1. In Article 2 (1), letter (a) shall have the following content:

„a) prospective acquirers and significant shareholders of financial investment services companies, investment management companies, alternative investment fund managers, central counterparties, insurance and / or reinsurance companies and investment vehicle management companies;"

2. In Article 4 (2), points 12 and 18 shall have the following content:

„12. *significant influence* - a prospective acquirer is considered to exercise significant influence when its holdings, although below the 10% and 5% threshold respectively in the case

of the central depository and 20% in the case of the market operator, allow it to exert significant influence over the management of the regulated entity, such as having a representative on the board of directors; holdings below 10% are subject to approval requirements, on a case-by-case basis, depending on the ownership structure of the regulated entity and the actual involvement of the acquirer in its management.

……

18. *persons acting in concert* - two or more persons linked to an implicit or explicit agreement between them and intending to exert a significant influence, directly or indirectly, on the regulated entity; the agreement may be concluded in writing, verbal or manifest only in fact or if the persons are linked in any other way;"

3. In Article 6 (1), the introductory part and points (a), (c) and (d) shall have the following content:

„Art. 6. - (1) For the purposes of this Regulation, the following situations may, in particular, be taken into account in determining the concerted action:

a) the existence of corporate governance agreements between shareholders, with the exception of pure purchase, sale and forfeiture contracts and pure pre-emptive statutory rights;

……..

c) if the prospective acquirer holds a position in the governing structure of the regulated entity or has the capacity to designate a person to hold such a position;

d) the relationship between entities within the same group, except for situations that meet the criteria of independence set out in Art. 116 (9) or, if applicable, par. (10) of Regulation no. 1/2006."

4. In Article 6, after par. (3), two new paragraphs (4) and (5) are inserted, with the following content:

„(4) Determination of concerted action may also occur if, although no significant shareholder acquisition and approval project has been submitted, on the basis of the assessment of the situations referred to in par. (1), there are indications of a possible concerted action. The existence of a particular factor does not automatically lead to the conclusion that the persons concerned act in concert.

(5) In the analysis process for determining the concerted action, the following principles are also considered:

a) the evaluation process for the approval of acquisitions or increases in qualifying holdings does not prevent cooperation between shareholders who have the objective of exercising good corporate governance;

b) in order to determine whether the cooperating shareholders act in concert, ASF performs a case-by-case analysis and evaluates each case on the merits, monitoring if there is any data, in addition to the involvement of shareholders in any of the activities mentioned in paragraph (3), indicating that shareholders should be considered as persons acting in concert;

c) if the shareholders cooperate by engaging in an activity not covered by par. (3), this is not, in itself, interpreted as meaning that those persons act in concert."

5. In Article 7, after the letter e), three new letters f) - h) are inserted, with the following content:

„f) the existence of important and regular transactions between the prospective acquirer and the regulated entity;

g) the relationship of each shareholder with the regulated entity;

h) the existence of relationships between the prospective acquirer, existing shareholders and any shareholder agreement that would allow the prospective acquirer to exercise significant influence."

6. In Article 7, two new paragraphs, par. 2 and 3, are inserted, with the following content:

„(2) The proposed acquisition or increase of a holding which does not amount to 10% of the capital or voting rights of the regulated entity is subject to a prior prudential approval and assessment request if such holding would allow the prospective acquirer to exert influence significant influence over the management of the regulated entity, even if that influence is exercised or not.

(3) In order to assess whether significant influence can be exercised, ASF shall take into account all relevant facts and circumstances, including those referred to in par. (1)."

7. Article 8 shall have the following content:

„Art. 8. – (1) The indirect qualifying holding shall be established when:

a) a natural or legal person acquires or accrues a direct or indirect holding of an existing shareholder holding a qualifying holding; or

b) a natural or legal person holds a direct or indirect holding in a person who intends to acquire or increase a direct holding in the regulated entity.

(2) The assessment and determination of the size of an indirect qualifying holding for each person referred to in par. (1) shall be effected by successively applying, for each holding in the shareholding, the following two criteria:

a) the criterion for establishing control position;

b) the multiplication criterion.

(3) The multiplication criterion shall apply if, following the application of the criterion provided for in par. (2) a) it is established that the relevant person does not directly or indirectly acquire control over an existing shareholder or a prospective acquirer of a qualifying holding in the regulated entity."

8. After Article 8, three new articles, Articles 8^1-8^3, are inserted, with the following content:

„Art. 8^1 - (1) A natural or legal person is considered an indirect acquirer of a qualifying holding if, by applying the criterion for determining the control position, it is established that:

a) it acquires, directly or indirectly, control over an existing shareholder holding a qualifying holding in the regulated entity, whether such an existing holding is direct or indirect; or

b) it controls, directly or indirectly, the potential direct acquirer of a qualifying holding in a regulated entity.

(2) In applying the provisions of par. (1) the determination of indirect acquirers includes the beneficial owner.

Art. 8^2 – (1) Applying the multiplier criterion to assess whether a qualifying holding is acquired indirectly is to multiply the percentages of the existing holdings within each level of the shareholding, starting from the multiplication of the direct holding held by the regulated entity with the immediate shareholding level, and continuing up the holding chain until the result of the multiplication continues to be 10% or more; the multiplier result is the dimension of indirect ownership of the immediate superior in the shareholding chain.

(2) The qualifying holding determined in accordance with par. (1) shall be deemed to have been acquired indirectly:

a) by each person for whom the result of the multiplication is 10% or more; and

b) by all persons directly or indirectly in control of the person or persons identified by applying the multiplication criterion in accordance with letter a).

Art. 8^3 - Determination of indirect purchases of qualifying holdings, in accordance with the provisions of art. 8, 8^1 and 8^2 shall be carried out according to the examples given in annex no. 4."

9. **Article 9 shall have the following content:**

„Art. 9. –Without prejudice to the application of the provisions of Art. 10 par. (1) and Art. 12, irrespective of the application of the control or multiplication criterion, where the indirect acquirers are regulated and supervised entities, and ASF is already in possession of the updated information, ASF may, in view of the particular circumstances of the case, consider it sufficient, in addition to the potential direct acquirer, to assess only the person or persons holding control positions at the top of the shareholding."

10. **In Article 10, after par. (4), a new paragraph (4^1) is inserted, with the following content:**

„(4^1) ASF shall assess whether the prospective acquirer has taken the decision to purchase on the basis of at least the following considerations:

a) if the prospective acquirer was aware or, in view of the information to which he might have access to, should have been aware of the acquisition / increase of a qualifying holding and of the transaction it triggered; and

b) if the prospective acquirer has the capacity to influence, object or prevent the potential acquisition or increase of a qualifying holding."

11. In Article 12, after par. (4), two new paragraphs (5) and (6) are inserted, with the following content:

„(5) In the situation provided by art. 8^1 (1) letter a), the existing shareholder of a qualifying holding does not submit to ASF the acquisition project.

(6) ASF allows the person or persons at the top of the control chain to send the prior notice also on behalf of the intermediary holders."

12. Article 13 shall have the following content:

„Art. 13. - Regulated entities have the obligation to keep a record enabling them to identify the persons holding qualified holdings or significant influence and to request their shareholders, regardless of their holding share, the information necessary for their classification as holding directly or indirectly, individually or in concert, qualifying holdings or shareholders exercising significant influence. "

13. In Article 20, par. (2) shall have the following content:

„(2) When assessing the integrity of the prospective acquirer, it is intended, insofar as it is relevant, that they may induce doubts as to the fulfillment of the criterion, at least the following:

a) conviction or prosecution in the case of a criminal offense, in particular:

(i) offenses under the applicable law in the banking, financial, financial and insurance instruments and insurance or relating to the markets related to financial instruments or payment instruments;

(ii) forgery, financial frauds or crimes, including money laundering and terrorist financing, market manipulation, insider dealing, usury and corruption;

(iii) offenses concerning the tax regime;

(iv) other offenses under company law, bankruptcy, insolvency or consumer protection;

b) any relevant findings from on-the-spot and remote inspections, investigations or enforcement measures insofar as they relate directly or indirectly to the prospective acquirer in relation to the level of holdings or the control position and the imposition of administrative sanctions for breach of the provisions relating to banking, financial, financial instruments and investments and insurance field or regarding markets related to financial instruments or payment instruments or regarding any regulatory or other matters relating to the financial services referred to in letter a);

c) law enforcement actions by any other regulatory or professional body for non-compliance with any relevant provisions;

d) any other information from reliable and credible sources relevant in this context."

14. In Art. 20, after par. (5), a new paragraph (6) shall be inserted, with the following content:

„(6) When there are indications or information that casts doubt on integrity, such as the existence of adverse events relating to the prospective acquirer, possible offenses, hostile media reports and allegations, the prospective acquirer shall provide documentation proving that no such events took place, confirmations the side of other national authorities or other states."

15. In Art. 21, par. 2 shall have the following content:

„(2) When assessing professional competence requirements, account shall be taken of the particularities of each case, in particular the level of holdings to be held and the degree of potential involvement of the prospective acquirer in the administration and management of the regulated entity concerned, or whether the acquisition is made for investment purposes only.".

16. In Article 24, after paragraph (1), a new paragraph (11) shall be inserted, with the following content:

„(1^1) The provisions of paragraph (1) shall apply if there is no new or revised evidence that could raise justified concerns about the professional capabilities of the prospective acquirer taking into account the size and complexity of the regulated entity concerned; the eligibility of the prospective acquirer to control a regulated entity with a restricted or small turnover is also reconsidered if it intends to control a substantially larger entity."

17. After Article 26, a new Article 26^1 is inserted, with the following content:

„Art. 26^1- (1) Financial mechanisms introduced by the prospective acquirer to finance the acquisition or financial relationships existing between the prospective acquirer and the regulated entity may exist only to the extent that conflicts of interest which might affect the regulated entity are avoided.

(2) The depth of assessing the financial soundness of the prospective acquirer is related to the likely influence of the prospective acquirer, the nature of the prospective acquirer and the nature of the acquisition as set out in Art. 37^1.

(3) Depending on the characteristics of the acquisition, ASF may differentiate the depth and methods of analysis by taking into account the difference between the situations in which the acquisition produces or not a change in the control of the regulated entity."

18. In Article 29, paragraph 2 shall have the following content:

„(2) Funds used to participate in the capital must come from legal sources and the funding mechanism be transparent, for which purpose:

a) the funds used for the proposed acquisition shall be transferred through credit institutions or financial institutions that are effectively supervised to combat money laundering and terrorist financing by competent authorities in the European Union or in third countries deemed to have equivalent systems to those in the European Union to combat money laundering and terrorist financing;

b) the prospective acquirer shall provide reliable and credible information on the activity that produced the funds and any other information necessary for that purpose, including, where appropriate, the history of its business activities and the financial scheme in accordance with the value of the trading agreement;

c) the information provided by the prospective acquirer must be presented in a documented form so that there are no uncertainties as to the origin and transfer of the funds.

19. In Article 31, paragraph (2) shall have the following content:

„(2) For legal entities falling under the provisions of this Regulation, in addition to those mentioned in par. (1), the following documents and information shall be provided:

a) a good standing certificate issued by the Trade Register Office or any other equivalent official document issued by the similar authority from the country of origin attesting at least the name, the date of registration, the persons legally empowered to represent the legal entity and the object of its activity;

b) in the case of legal entities forming part of a group:

(i) copies of the last 3 audited annual financial statements together with the detailed report of the financial auditor and, where applicable, those of the shareholder's accounting consolidation perimeter drawn up in accordance with International Financial Reporting Standards or regulations compliant with the European accounting directives and submitted to the competent bodies;

(ii) analysis of the scope of consolidated supervision of the regulated entity and the group to which it belongs after the proposed acquisition; the analysis should include information about the entities of the group that would be included in the scope of the consolidated supervision requirements after the proposed acquisition and the levels within the group to which those requirements would apply on a full or sub-consolidated basis;

(iii) analysis of the impact of the proposed acquisition, including following the close links of the prospective acquirer with the regulated entity, on the ability of the regulated entity to continue to provide accurate and timely information to ASF;

c) in the case of prospective acquirers in third countries:

(i) a financial standing certificate or an equivalent document provided by the supervising authority in the State of origin;

(ii) a statement from the Financial Sector Supervisory Authority according to which there are no obstacles or limitations on the provision of the necessary information for the oversight of the regulated entity concerned, if available;

(iii) general information on the regulatory regime of the third State applicable to the prospective acquirer;

d) for the persons exercising management responsibilities of the shareholder, the documents mentioned in par. (3);

e) the decision of the statutory body of the prospective acquirer regarding the approval of the acquisition."

20. Article 33 (5) (b) shall have the following content:

„b) The proposed acquisition is to be carried out through an intragroup transaction within the group of an existing shareholder without a real or substantial change in the direct or indirect holder of the regulated entity or over the influence that the group exercises in the

regulated entity; in this case adequate information is provided to allow the assessment of the acquisition project without the need for a re-assessment of the whole group; the assessment is limited only to changes that have taken place since the last assessment."

21. After Article 37, a new Article 37^1 is inserted, with the following content:

„Art. 37^1 - (1) In order to avoid delays in providing the necessary information in the approval process, including additional requests for information, in anticipation of a formal approval request, it may be requested to ASF to organize preliminary meetings to present and clarify the elements of the proposed acquisition, especially if it presents complex and meaningful transactions that may include:

a) transactions in which the prospective acquirer or the regulated entity concerned has a complex group structure;

b) cross-border transactions;

c) transactions involving proposed significant changes to the business plan or strategy of the regulated entity; and

d) transactions involving the use of significant debt financing.

(2) When applying the provisions of par. (1), pre-notification agreements focus on the information to be requested by ASF to start the assessment of an acquisition or increase a qualifying holding.

(3) In the case of cross-border transactions involving multiple notifications of acquisitions of qualifying holdings within the European Union, where ASF is the supervisory authority of the regulated entity representing the parent company, ASF cooperates with the other supervisory authorities to align, if possible, the notification and assessment process."

22. In Annex no. 1 Section 1 Subsection 1.1. item 8, letter b) shall have the following content:

„b) persons empowered to exercise voting rights in relation to the regulated entity concerned in any of the following cases or in a combination of cases:

(i) the voting rights of a third party with whom the person or entity concerned has entered into an agreement, which requires them to adopt, by concerted exercise of their voting rights, a common long-term policy on the management of the issuer in question..... ...;

(ii) the voting rights of a third party in accordance with an agreement concluded with the person or entity concerned on the temporary transfer for consideration of the voting rights concerned.....;

(iii) the voting rights attaching to shares deposited as collateral to that person or entity, provided that the person or entity concerned controls the voting rights and expresses its intention to exercise them ....;

(iv) the voting rights attaching to the shares for which the person or entity concerned has the usufruct ....;

(v) the voting rights held or that may be exercised under points (i) - (iv) through an entity controlled by the person or entity concerned.....;

(vi) the voting rights attaching to shares deposited with that person or entity that the person or entity in question may exercise at its sole discretion in the absence of specific instructions from shareholders ....;

(vii) the voting rights held by a third party on its own behalf in the name of the person or entity concerned..... .....;

(viii) the voting rights which that the person or entity concerned may exercise as an intermediary where that person or entity may exercise the voting rights of its choice in the absence of specific instructions from shareholders ....."

23. In Appendix no. 1 Section 1 Subsection 1.2. point 5, after letter (c) a new netter d) will be inserted, with the following content:

„d) dismissal from a position of trust, fiduciary relationship or similar situation:

(i) any person who effectively manages the economic activity of the prospective acquirer .....

(ii) any shareholder exercising significant influence over the prospective acquirer .....”

24. In Appendix no. 1 Section 1 Subsection 1.2. item 8, letter b) shall have the following content:

„b) persons empowered to exercise voting rights in relation to the regulated entity concerned in any of the following cases or in a combination of cases:

(i) the voting rights of a third party with whom the person or entity concerned has entered into an agreement, which requires them to adopt, by concerted exercise of their voting rights, a common long-term policy on the management of the issuer in question. .....;

(ii) the voting rights of a third party in accordance with an agreement concluded with that person or entity on the temporary transfer for consideration of the voting rights concerned.....;

(iii) the voting rights attaching to shares deposited as collateral with that person or entity, provided that the person or entity concerned controls the voting rights and expresses its intention to exercise them ....;

(iv) the voting rights attaching to the shares for which the person or entity concerned has the usufruct……;

(v) the voting rights held or that may be exercised under points (i) - (iv) through an entity controlled by the person or entity concerned.....;

(vi) the voting rights attaching to shares deposited with that person or entity that the person or entity in question may exercise at its sole discretion in the absence of specific instructions from shareholders .....;

(vii) the voting rights held by a third party in his own name on behalf of the person or entity concerned …….;

(viii) the voting rights that that person or entity may exercise as an intermediary when the person or entity concerned may exercise the voting rights of their choice in the absence of specific instructions .....”

25. In Appendix no. 1 Section 1 Subsection 1.2. paragraph 9, points (c) and (d) shall be repealed.

26. In Appendix no. 1, Section 1, Subsection 1.2, in point 10, after letter f) a new letter, letter g) shall be inserted with the following content:

„g) information on the relationships between the group's financial entities and other non-financial entities of the group.”

27. In Appendix no. 1, Section 1, subsection 1.3, two new sub-sections, subsections 1.4. and 1.5 will be inserted, with the following content:

„**Sub-section 1.4.- Prospective acquirer - sovereign investment fund:**

1. Name of the ministry or government department responsible for defining the investment policy of the fund .....;

2. Details of the investment policy and any investment restrictions .....;

3. Name and position of decision-makers within the fund .....;

4. Details of any influence exerted by the ministry or government department identified on the day-to-day operations of the fund and the regulated entity concerned.....;"

Subsection 1.5. - Prospective Acquirer - Private Equity Fund and Hedge Fund:

1. Detailed description of the performance of previous acquisitions of qualifying holdings in the financial institutions of the prospective acquirer .....;

2. Details of the prospective acquirer's investment policy and investment restrictions, including details of the investment monitoring, the factors considered by the prospective acquirer for the investment decision regarding the regulated entity concerned and the factors that would trigger changes in the strategy for disinvestment of the prospective acquirer.....;

3. The investment decision-making process of the prospective acquirer, including the name and position of the persons responsible for making such decisions ....;

4. Detailed description of the anti-money laundering procedures of the prospective acquirer and the legal framework for combating money laundering…….."

28. In Appendix no. 1, the last paragraph shall have the following content:

„I, the undersigned, knowing the provisions of Art. 326 of the Penal Code on the false statements, hereby declare under my sole responsibility that all the information and documents submitted to ASF are complete and consistent with reality and that there are no other relevant issues to facilitate the assessment of this application by ASF. At the same time, I undertake to immediately communicate to ASF all changes to the documents and information provided in the acquisition project."

29. **In Appendix no. 2. Section 1 (1) (c) and (d) shall be repealed.**

After Appendix no. 3 a new appendix, Appendix no. 4 shall be inserted, having the content set out in the appendix which forms an integral part of this Regulation.

Art. II. - This Regulation shall be published in the Official Gazette of Romania, Part I and shall enter into force on the date of its publication.

The Chairman of the Financial Supervisory Authority,
Leonardo Badea

Bucharest, October 19, 2017
No. 11

Appendix
(*Appendix no. 4 to the ASF Regulation no. 3 / 2016*)

Practical examples[1] of how indirect acquisitions of holdings are set

Example 1:
In figure no. 1, following the takeover of control by C on B, in accordance with the control criterion provided in art. 8^1 of the Regulation of the Financial Supervisory Authority no. 3/2016 on the applicable criteria and the procedure for the prudential assessment of acquisitions and increases of shareholdings in entities regulated by the Financial Supervisory Authority, as subsequently amended and supplemented, hereafter referred to as ASF's Regulation nr. 3/2016, it is considered that C indirectly acquires a qualifying holding in the target enterprise, given that the controlled entity, B, has a qualifying holding of 10% in T. All other persons who have control, directly or indirectly, over C in accordance with the control criterion provided in Article 8^1 of the Financial Supervisory Authority Regulation no. 3/2016 is considered to indirectly acquire a qualifying holding in the target enterprise, and the size of the holding purchased by C and by each person should be considered equal to 10%.
It is not necessary to apply the multiplication criterion, as described in Art. 8^2 of ASF's Regulation no. 3/2016.
Example 2:
In Figure no. 2, C does not take control of B, therefore, according to the control criterion provided in Art. 8^1 of the Regulation of the Financial Supervisory Authority no. 3/2016, no qualified holding is deemed to be acquired.
In order to assess whether a qualifying holding is acquired indirectly, the multiplication criterion must be tested. For this, the percentage of the holding purchased by C in B should be multiplied by the percentage of B's holding in T (49% x 100%). As the result is 49%, it is considered that the qualifying holding was acquired indirectly by C. As regards the application of Art. 8^2 of the Regulation of the Financial Supervisory Authority. no. 3/2016, it must be held that C and any person or persons directly or indirectly in control of C acquire indirectly a qualifying holding equal to 49%. The multiplication criterion should be applied to the shareholders in C, who do not have control over C, starting from the bottom of the shareholding, being the direct holding in the target company.
Example 3:
In Figure no. 3, D does not take control of C, therefore, according to the control criterion, qualifying holding is not acquired indirectly. In order to assess whether D should be considered an indirect acquirer of a qualifying holding in T, the multiplication criterion should be applied, which implies the multiplication of the stakeholding percentages (that is, the holding of D in C, C's holding in B, and B's holding in T). As the result is 10.2%, it is considered that the qualifying holding in T was acquired indirectly by D. In view of the application of Art. 8^2 of ASF's Regulation no. 3/2016, it must be considered that C and any person or persons directly or indirectly controlling D acquire indirectly a qualifying holding equal to 10.2%.

[1] In order to simplify the examples, it is assumed that control is acquired only if the size of the acquired holding is more than 50% (although control can be acquired with a lower holding). In addition, it is assumed that no significant influence is gained, which is unlikely in practice in the given examples. In the first three examples, "T" represents the target company and the entity at the top of the figure chain, "C" in Figures 1 and 2 and "D" in Figure 3, is the potential acquirer. The persons who control the indirect buyer's potential do not appear in the figures, but are taken into account in the examples. The fourth scenario presents a concrete example of the method of calculating indirect holdings in a more complex structure.

Figure 1

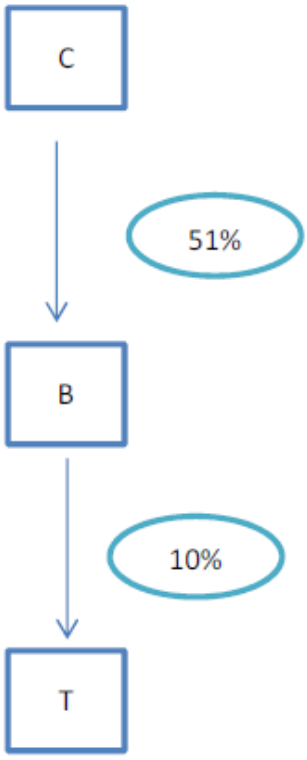
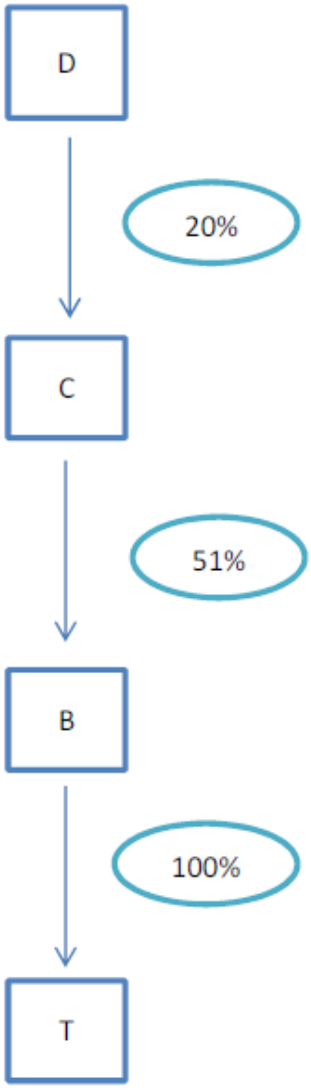


Figure 2

Figure 3



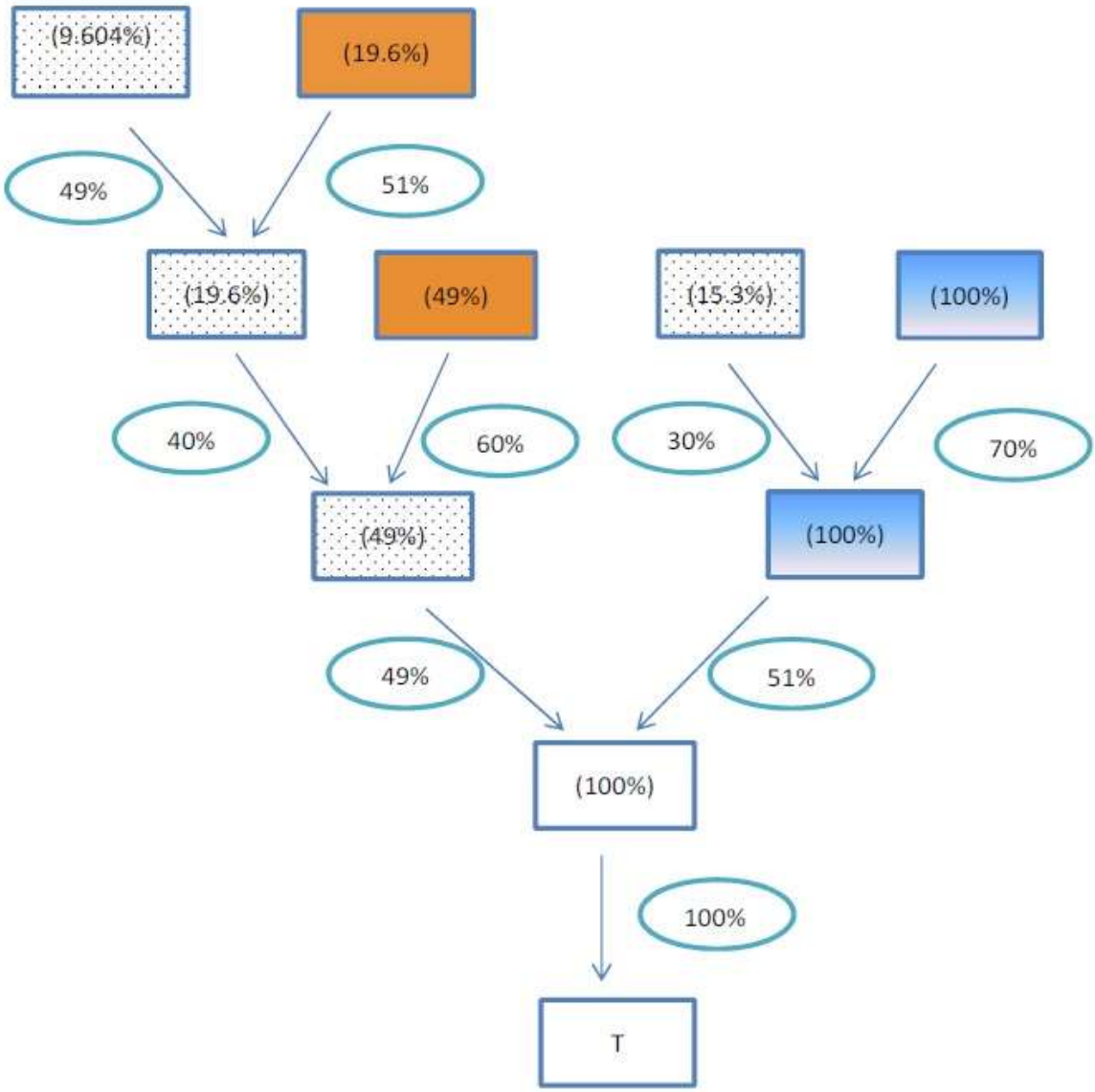
Example 4:

Figure no. 4 explains the entire corporate structure, showing for each shareholder the size of the indirect holding in the target company (T).

In the case of each shareholder, the size of the holding in the entity immediately below it is indicated next to the arrow indicating the relevant holding. The size of the direct or indirect holding in the target enterprise is indicated in brackets in the box where the shareholder is represented.

The organizational chart should be considered to show the structure of holdings following the conclusion of an acquisition. If the size of the direct or indirect holding in the target enterprise of the acquiring entity is at least 10%, that entity shall be deemed to have acquired a qualifying holding. It is also considered that the qualifying holding was acquired by its direct or indirect shareholders who are deemed to have acquired a qualifying holding of at least 10% in the target enterprise.

Figure 4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