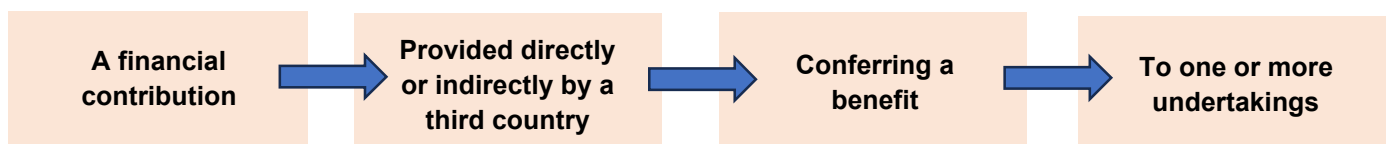


ENTRY INTO FORCE OF THE REGULATION ON FOREIGN SUBSIDIES (FSR)

DEFINITION OF A FOREIGN SUBSIDY



POWERS OF THE EUROPEAN COMMISSION

Large concentrations: mandatory pre-closing approval

Target has an EU turnover of EUR 500 million or more, and total foreign subsidy across all parties involved in the concentration exceeds €50 million in the past three years.

Public procurement: mandatory pre-approval for participation

Public contracts of EUR 250 million or more involving subsidies of more than EUR 4 million per third country.

Ex officio investigations

Any transaction or public tender below thresholds which benefited from a foreign subsidy (5 years retroactive scope as of entry into force).

RETROACTIVE EFFECT

M&A TRANSACTIONS AND PUBLIC PROCUREMENT

- EC may review foreign subsidies granted up to **three years** prior to transaction/tender
- EC may **not** review transactions/tenders completed before 12 July 2023

EX-OFFICIO INVESTIGATIONS

- EC may review foreign subsidies granted up to **ten years** prior to the start of the investigation
- EC may **not** review subsidies granted before 12 July 2018

SANCTIONS

FAILURE TO COMPLY WITH THE NOTIFICATION OBLIGATION

- Commission may impose fines up to 10% of the company's annual aggregated turnover

FAILURE TO COOPERATE

- Commission may impose fines up to 1% of the total turnover of the company concerned as well as periodic penalty payments