

## **Summary of the Combination**

*[In terms of Regulation 13 (1B) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations), 2011]*

### **A. Name of the Parties to the Combination**

1. Melrose Industries PLC ("**Melrose**" or "**Acquirer**") and GKN Plc ("**GKN**" or "**Target**").

### **B. Type of the combination**

2. Melrose seeks to/ proposes to acquire the entire issued and to be issued ordinary share capital of GKN (referred together as "**Parties**") by way of a public offer ("**Proposed Transaction**").

### **C. Area of activity of the Parties to the Combination**

#### **Melrose**

3. Melrose is a public limited company registered in England and Wales. Its securities are listed on the London Stock Exchange. Melrose invests in manufacturing businesses with strong fundamentals and uses its management expertise to improve their performance. Melrose's current active interests are in Brush Holdings Ltd. ("**Brush**") and Nortek Inc. ("**Nortek**"). Melrose operates these businesses through four divisions:

- (i) the Air Management division, which includes the Heating, Ventilation & Air Conditioning and Air Quality & Home Solutions businesses (Nortek);
- (ii) the Security & Smart Technology division, comprising the Security & Control, Core Brands and GTO businesses (Nortek);
- (iii) the Ergonomics division, which includes the Ergotron business (Nortek); and the
- (iv) Energy division, comprised of the Brush businesses.

#### **GKN**

- 4. GKN is a global engineering business registered in England and Wales and listed on the London Stock Exchange. GKN is active primarily in three sectors: aerospace, driveline and powder metallurgy. GKN is also active in the production of cylinder liners as well as wheels, chassis frames, structural assemblies, and powertrains for off-highway vehicles, and freight services.

#### **D. *Relevant market(s) to which the combination relates***

- 5. The activities of the Parties have no horizontal or vertical overlaps globally or in India. Therefore, the identification and assessment of the relevant market in India is not necessary for evaluating the competitive effects of the Proposed Transaction.
- 6. In light of the above and considering the absence of any competition concerns with respect to the Proposed Transaction within any relevant market in India, the

identification of relevant product and geographic markets are requested to be left open.

7. However, without prejudice to the above and for the ease of the Hon'ble Commission's assessment, and also consistent with the Commission's past practice, given the lack of any overlapping activities the relevant market has been defined on the basis of the business activities of the Target. The relevant market definition for the purposes of the Proposed Transaction may be defined as (i) the manufacture of parts and accessories for motor vehicles in India; (ii) the manufacture of air and spacecraft and related machinery in India; and (iii) the forging, pressing, stamping and roll-forming of metal; powder metallurgy in India. ("**Relevant Market**"). However, in addition to, and without prejudice to the relevant product market proposed, and with a view to assist the Hon'ble Commission, an alternative narrow market definition may be considered as the (i) market for supply of drivelines, (ii) market for supply of metallurgical powder (iii) market for electrical equipment in aerospace, which identifies the specific activities undertaken by GKN ("**Alternate Relevant Market**").

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