

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6026

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

**SOLEVO MEA B.V.
AND
ROLFES HOLDINGS (PTY) LTD**

CASE NUMBER: 2024AUG0002

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

Background

1. On 02 August 2024, the Competition Commission ("the Commission") received notice of an intermediate merger whereby Solevo MEA B.V. ("Solevo") intends to acquire the entire shareholding of Rolfes Holdings (Pty) Ltd ("Rolfes"). Post-merger, Rolfes will be controlled by Solevo.
2. The primary acquiring firm, Solevo, is registered in the Netherlands. Solevo is ultimately controlled by Development Partners International LLP ("DPI"), a private equity firm registered under the laws of the United Kingdom ("UK"). DPI is not controlled by any firm. Solevo does not control any firms in South Africa. However, Solevo has operations in Angola, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Madagascar, Mali and Senegal. DPI controls several firms in South Africa. DPI and all the firms it controls will be referred to as the "Acquiring Group".
3. The merging parties submit that the Acquiring Group has no ownership by historically disadvantaged persons ("HDPs") as contemplated by section 3(2) of the Competition Act No. 89 of 1998 (as amended) (the "Act").
4. The primary target firm, Rolfes, is incorporated in South Africa. The merging parties submit that Rolfes is not controlled by any single shareholder.

5. Rolfes conducts its activities through 9 (nine) subsidiaries. Rolfes and its subsidiaries will be referred to as “Rolfes”.
6. The merging parties submit that Rolfes has **[CONFIDENTIAL]**% HDP ownership derived from **[CONFIDENTIAL]**, an HDP.
7. Of relevance to this merger assessment is that the Acquiring Group is involved in the development and supply of chemicals used in various sectors namely, agriculture, food and nutrition, personal care, hygiene, water treatment, construction, mining, energy, and packaging. These activities are also conducted in countries such as Angola, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Madagascar, Mali and Senegal. The Acquiring Group does not supply any chemicals in South Africa
8. Rolfes is a manufacturer and distributor of chemicals and organic products to the agricultural, food, industrial, leather and water sectors.

Competitive assessment

9. The Commission found that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition.

Public interest considerations

10. To address public interest concerns, the parties have tendered conditions that promote (amongst others) ownership by HDPs. These commitments are set out in **Annexure A**.
11. The merger does not raise any other public interest issues that require further intervention.
12. The Commission therefore approves the merger subject to the conditions set out in **Annexure A** hereto.

ANNEXURE A
SOLEVO MEA B.V.
AND
ROLFES HOLDINGS PROPRIETARY LIMITED
CASE NUMBER: 2024AUG0002

CONDITIONS

1. DEFINITIONS

In this document, the expressions used below will have the appropriate meanings assigned to them and the following and related expressions will bear the following meanings:

- 1.1 **“Acquiring firm”** means Solevo MEA B.V.;
- 1.2 **Act** means the Competition Act No. 89 of 1998, as amended;
- 1.3 **Approval Date** means the date on which the merger is approved by the Commission;
- 1.4 **“B-BBEE”** means Broad-Based Black Economic Empowerment as defined in the B-BBEE Act;
- 1.5 **“B-BBEE Act”** means the Broad-Based Black Economic Empowerment Act, 53 of 2003, as amended;
- 1.6 **“B-BBEE Codes”** means the Codes of Good Practice on Broad-Based Black Economic Empowerment issued in terms of the B-BBEE Act;
- 1.7 **“Commission”** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;

- 1.8 **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Commission;
- 1.9 **“Competition Act”** means the Competition Act, No. 89 of 1998, as amended;
- 1.10 **“Conditions”** means these Merger conditions set out in this Annexure A;
- 1.11 **“Days”** means any calendar day that is not a Saturday, Sunday or public holiday in South Africa;
- 1.12 **“Default or Bad Leaver Event”** means resignations by beneficiaries of the HDP Employee Education Programme either during the course of the study programme or within a period after completion thereof that is less than the period for which the study programme endured as well as lawfully effected terminations of beneficiaries of the HDP Employee Education Programme as a result of: (i) misconduct or poor performance; and (ii) unreasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act, No. 66 of 1995;
- 1.13 **“HDPs”** means historically disadvantaged persons as defined in section 3(2) of the Act;
- 1.14 **“HDP Employees”** means HDP Employees employed by Rolfes on a full-time permanent contract basis;
- 1.15 **“HDP Employee Education Programme”** means the programme to be introduced by Rolfes to further the skills of HDP Employees as described in clause Error! Reference source not found. below;
- 1.16 **“HDP Transaction”** means [CONFIDENTIAL]'s acquisition of [CONFIDENTIAL]% of the issued share capital of Rolfes, which will be funded by way of an interest free loan from the Merged Firm to [CONFIDENTIAL];

- 1.17 **"Implementation Date"** means the date on which the merger is implemented by the Acquiring firm;
- 1.18 **"[CONFIDENTIAL]"** means **[CONFIDENTIAL]**, a firm wholly owned by HDP females;
- 1.19 **"Merged Firm"** means Rolfes as controlled by Solevo after the Implementation Date;
- 1.20 **"Merger"** means the proposed acquisition by Solevo of Rolfes as notified to the Commission under Case No. 2024Aug0034;
- 1.21 **"Merging Parties"** means Solevo and Rolfes;
- 1.22 **"Rolfes"** means Rolfes Holdings Proprietary Limited and, where the context so requires, includes all firms directly or indirectly controlled by it;
- 1.23 **"Solevo"** means Solevo MEA B.V.;
- 1.24 **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act;
- 1.25 **"Tribunal Rules"** means the Rules for the Conduct of Proceedings in the Tribunal;
- 1.26 **"YES Programme"** means Youth Employment Services Programme, a joint initiative by the private sector and Government which facilitates South Africa's youth with gaining work experience through employment placements, as recognised under Amended Code Series 000, Statement 000 of the B-BBEE Codes; and
- 1.27 **"YES Programme Participants"** means HDP youths enrolled or to be enrolled in the YES Programme.

2. HDP OWNERSHIP TRANSACTION

2.1 The Merging Parties shall contemporaneously with the Implementation Date, but in any event not more than 1 (one) month thereafter, implement the HDP Transaction.

3. SPEND ON ENTERPRISE AND SUPPLIER DEVELOPMENT, SOCIO-ECONOMIC DEVELOPMENT, AND SKILLS DEVELOPMENT

3.1 Solevo will procure that over a period of 3 (three) years from the Implementation Date, Rolfes will:

3.1.1 Enrol no less **[CONFIDENTIAL]** YES Programme Participants to afford them the opportunity to gain work experience at Rolfes, over and above the current **[CONFIDENTIAL]** YES Programme Participants;

3.1.2 Introduce the HDP Employee Education Programme, through which Rolfes will provide funding to **[CONFIDENTIAL]** HDP Employees, at no cost to them, to enrol in tertiary education or other training programmes to enhance their skills and qualifications, which study programmes will be selected by Rolfes in its sole discretion having regard to the nature and needs of its business. The HDP employees will be selected by Rolfes in its sole discretion having regard to factors such as tenure, role and identified potential career growth. The cost per study programme will be a maximum **[CONFIDENTIAL]**, which may be increased by Rolfes in its sole discretion, and which will be only become repayable by the beneficiaries of the HDP Employee Education Programme should a Default or Bad Leaver event occur;

3.1.3 Issue a directive to its business units to require **[CONFIDENTIAL]** of its capital expenditure from local third-party suppliers is spent with suppliers

that have a minimum B-BBEE Level 3 scorecard, provided that the goods or services required by Rolfes are available and able to be procured on commercially reasonable terms (particularly with respect to quality standards, availability and on competitive commercial terms).

4. MONITORING

- 4.1 Within 10 (ten) days of the implementation Date, Rolfes shall circulate a non-confidential version of the Conditions to its employees, their employee representatives and trade unions. As proof of compliance herewith, the Rolfes shall, within 5 (five) Days of circulating the Conditions, submit to the Commission an affidavit by a senior official, attesting to such compliance.
- 4.2 Within 5 (five) days after the Implementation Date, the Merged Firm shall inform the Commission in writing of the Implementation Date.
- 4.3 The Merged Firm shall inform the Commission in writing of the implementation date of the HDP Transaction within 5 (five) Days of its occurrence.
- 4.4 The Merged Firm shall circulate the directive referred to in clause **Error! Reference source not found.** within 10 (ten) Days of the Implementation Date, and within 5 (five) Days thereafter provide a copy of the directive to the Commission together with an affidavit deposed to by a senior official of the Merged Firm attesting to its circulation.
- 4.5 The Merged Firm shall, within 30 (thirty) Days of the first anniversary of the Implementation Date and for a period of 3 (three) years thereafter submit to the Commission a written report detailing compliance with clause **Error! Reference source not found.** of these Conditions. The report shall be accompanied by an affidavit

deposed to by a senior official of the Merged Firm attesting to the correctness of the report.

- 4.6 The Commission may at any time request additional information from the Merging Parties, which the Commission may reasonably deem necessary for the purposes of monitoring the extent of compliance with the Conditions.

5. APPARENT BREACH

- 5.1 Any person who believes that the Merging Parties have failed to comply with these Conditions may approach the Commission with their complaint. If the Commission determines that there has been an apparent breach by the Merging Parties of these Conditions, the matter shall be dealt with in terms of clause 7 below.

6. VARIATION OF CONDITIONS

- 6.1 The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

7. APPARENT BREACH

- 7.1 Should the Commission receive any complaint in relation to non-compliance with the above Conditions, or otherwise determines that there has been an apparent breach by the Merging Parties of these Conditions, the breach shall be dealt with in terms of Rule 39 of the Commission Rules.

8. GENERAL

- 8.1 All correspondence concerning these Conditions must be submitted to the following email address: mergerconditions@compcom.co.za
- 8.2 Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3200.