



competitioncommission

south africa

REASONS FOR DECISION

SALLIES HOLDINGS (PTY) LTD

AND

G&W BASE AND INDUSTRIAL MINERALS (PTY) LTD

CASE NUMBER: 2025Apr0035

CONFIDENTIAL

Background

1. On 17 April 2025, the Competition Commission ("Commission") received notice of an intermediate merger wherein Sallies Holdings (Pty) Ltd ("Sallies Holdings"), intends to acquire G&W Base and Industrial Minerals (Pty) Ltd ("G&W Base"). Following the implementation of the proposed transaction, Sallies Holdings will wholly own G&W Base.
2. The primary acquiring firm is Sallies Holdings, a South African firm. Sallies Holdings has many minority shareholders, with no single shareholder holding a majority controlling interest in the firm. Sallies Holdings is a holding entity with its subsidiaries serving as the operational entities
3. Sallies Holdings and all the firms that it controls shall be referred to as the Acquiring Group.
4. The Acquiring Group has ownership by historically disadvantaged persons ("HDPs") as contemplated in section 3(2) of the Competition Act No. 89 of 1998, as amended ("the Act") through ARH, which is 26% owned by HDPs.
5. The Acquiring Group owns two mining and processing operations for agricultural lime. These mines are located in Zeerust and Ottoshoop in the North West Province. Particularly, the Acquiring Group mines and processes dolomitic limestone, fluorspar deposit and aggregates. The mines' processing facilities are also used to reprocess some agricultural lime used in animal feed products.
6. The primary target firm is G&W Base, a South African firm. G&W Base is wholly owned by ZimCo Group (Pty) Ltd. G&W Base owns and controls Matsopa Minerals (Pty) Ltd and Matsopa Minerals Empowerment Trust.
7. G&W Base and all the firms that it controls, shall be referred to as the Target Group.

8. The Target Group is held by HDPs as to 30%.
9. The Target Group is active in the mining and supply of limestone and limestone products. In particular, the Target Group mines calcitic limestone which is further beneficiated to produce calcitic lime. This operation is situated near the town of Slurry, approximately 22km north-east of Mafikeng within the North-West Province.
10. The Target Group supplies approximately 90% of its calcitic limestone to the Acquiring Group.

Competition assessment

11. The Commission assessed the activities of the merging parties and found that the proposed transaction does not result in a horizontal overlap.
12. The proposed transaction however results in a vertical overlap as G&W Base supplies calcitic limestone to the Acquiring Group. To address the potential input foreclosure concerns arising as a result of the proposed transaction, the merger parties have agreed to supply conditions whereby a specified proportion of the calcitic limestone from the merged entity should be supplied to other downstream third parties on fair, reasonable and non-discriminatory terms. These supply conditions are included in **Annexure A**.


Public interest considerations

13. To address the employment concerns, the merging parties have agreed to a moratorium on retrenchments for a period of 2 years.

Conclusion

14. The Commission therefore approves the proposed transaction subject to conditions in **Annexure A**.

Tamara Mokoka



Signed by Tamara Leigh Mokoka,
TamaraP@compcom.co.za
14/07/2025 18:43:08(UTC+02:00) — SIGNIFLOW®

TAMARA MOKOKA
DIVISIONAL MANAGER: MERGERS AND ACQUISITIONS
COMPETITION COMMISSION, SOUTH AFRICA

ANNEXURE A
SALLIES HOLDINGS (PTY) LTD
AND
G&W BASE AND INDUSTRIAL MINERALS (PTY) LTD
CC CASE NUMBER: 2025APR0035

CONDITIONS

1. DEFINITIONS

- 1.1 **"Acquiring Firm"** means Sallies Holdings (Pty) Ltd, a private company registered in South Africa. (Registration No: 2015/009862/07) Address: 2nd Floor, Octo Place; Elektron Road; Techno Park; Stellenbosch;
- 1.2 **"Approval Date"** means the date on which the Merger is approved by the Commission and set out in the Commission's Clearance Certificate (Notice CC 15) in terms of the Competition Act;
- 1.3 **"Business Day"** means any day(s) of the week, excluding Saturdays, Sundays or official public holidays (as prescribed by the Government of the Republic of South Africa from time to time);
- 1.4 **"Commission"** means the Competition Commission of South Africa;
- 1.5 **"Commission Rules"** means the Rules for the Conduct of Proceedings in the Commission;
- 1.6 **"Competition Act"** means the Competition Act No. 89 of 1998, as amended;
- 1.7 **"Conditions"** means the conditions in this **Annexure A**;
- 1.8 **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merger Parties;
- 1.9 **"Merger"** means the proposed acquisition by the Acquiring Firm of the Target Firm;
- 1.10 **"Merged Entity"** means collectively the Acquiring Firm and the Target Firm;
- 1.11 **"Merging Parties"** means the Acquiring Firm and the Target Firm;
- 1.12 **"Moratorium Period"** means the period between the Approval Date and the Implementation Date and, thereafter, a period of 2 (two) years from the Implementation Date;
- 1.13 **"South Africa"** means the Republic of South Africa;
- 1.14 **"Target Firm"** G&W Base and Industrial Minerals (Pty) Ltd, a private company registered in South Africa. (Registration No: 1951/000928/07) Address: 155 Immelman Road, Wadeville, Gauteng;

1.15 “**Tribunal**” means the Competition Tribunal of South Africa;

2. SUPPLY ACCESS CONDITIONS

- 2.1. For a period of 5 (five) years from the Implementation Date, the Acquiring Firm shall, on a quarterly basis (being each consecutive period of three calendar months in a given financial year), at least reserve 12% of the Target Firm's produced calcitic limestone for utilisation by third parties on terms and conditions, including quality, that are consistent with historical norms to the extent reasonably practicable, taking into account the natural variable nature of the mineral deposit, prevailing market conditions, and any adjustments necessitated by third-party service provider requirements or operational constraints.
- 2.2. Notwithstanding clause 2.1 above, the Acquiring Firm shall not be required to reserve more than 7,500 (seven thousand five hundred) tons of calcitic limestone per quarter for utilisation by third parties. This reserved amount is intended to reflect a fair access threshold and does not preclude the Acquiring Firm from supplying further quantities to third parties, should operational capacity and economic conditions permit. However, no obligation shall arise on the Acquiring Firm to exceed the reserved amount in any quarter.
- 2.3. Should any portion of the reserved 12% volume not be utilised by third parties within a particular quarterly period, the Acquiring Firm shall be entitled to utilise such unutilised volumes at its discretion thereafter.
- 2.4. The Merged Entity shall supply the calcitic limestone to third-party customers contemplated in clause 2.1 on fair, reasonable and non-discriminatory terms.
- 2.5. The Merged Entity shall not engage in prohibited price discrimination against any of its third-party customers in respect of it's the supply access conditions contemplated in clause 2.1.

3. EMPLOYMENT

- 3.1. The Merging Parties shall not retrench any Employee as a result of the Merger for a period of 2 (two) years from the Implementation Date, as well as for the duration of the Moratorium Period.
- 3.2. For the avoidance of doubt, retrenchments do not include: (i) voluntary separation , as arrangements; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act; (iv) resignations or retirements in the normal course; (v) retrenchments for operational reasons unrelated to the Merger;(vi) terminations in the normal course of business, including but not limited to, dismissals as a result of misconduct or poor performance; and (vii) any decision not to renew or extend a contract of a fixed-term third party contract employee or contract with a third party.

4. MONITORING OF COMPLIANCE WITH THE CONDITIONS

- 4.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date within 10 (ten) Business Days of its occurrence.
- 4.2. The Acquiring Firm shall submit a written report to the Commission indicating its compliance with clause 2 and 3 hereinabove. These reports must be submitted within 5 (five) Business Days after each anniversary of the Implementation Date for a period of 5 (five) years. Each report shall be accompanied by an affidavit, attested to by a senior official of the Acquiring Firm, confirming the accuracy of the report.
- 4.3. The Merging Parties shall, within 15 (fifteen) Business Days of the Implementation Date, publish a copy of the non-confidential version of these Conditions to the Merged Entity's website, social media platforms, if any, and other appropriate public channels to ensure that all customers are made aware of these Conditions.
- 4.4. The Commission may, from time to time, request any additional information from the Acquiring Firm that it deems necessary for the purpose of monitoring compliance with these Conditions.

5. APPARENT BREACH

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

6. VARIATION

- 6.1. The Acquiring Firm 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 Acquiring Firm 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. GENERAL

- 7.1. All correspondence in relation to these Conditions must be submitted to the following e-mail address: mergerconditions@compcom.co.za and ministry@thedtic.gov.za.