

COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case No: 110/CR/Dec06
016484

In the matter between:

The Competition Commission

Applicant

and

Senwes Limited

Respondent

Panel: N Manoim (Presiding Member), Y Carrim
(Tribunal Member) and M Holden (Tribunal
Member)

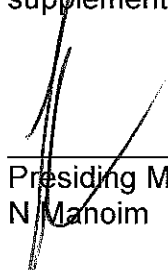
Heard on: 25 April 2013

Final submission received on: 14 May 2013

Decided on: 15 May 2013

Order

The Tribunal hereby confirms the order as agreed to and proposed by the Competition Commission and the respondent annexed hereto marked "A", supplemented by Annexures 1 to 3 thereto.

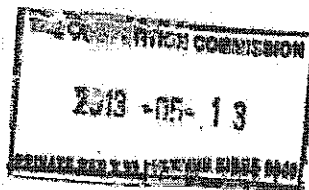


Presiding Member
N Manoim

Concurring: Y Carrim and M Holden

"A"

IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA



CT Case No. 110/CR/DEC06

CC Case No. 2004/DEC1332

In the matter between:

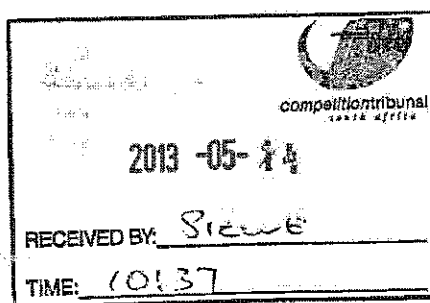
THE COMPETITION COMMISSION

Applicant

and

SENWES LIMITED

Respondent



In re:

THE COMPETITION COMMISSION

Applicant

and

SENWES LIMITED

Respondent

SETTLEMENT AGREEMENT BETWEEN THE COMPETITION COMMISSION AND
SENWES LIMITED IN REGARD TO THE CONTRAVENTION OF SECTION 8(C) OF
THE COMPETITION ACT, 89 OF 1998, AS AMENDED.

1 BACKGROUND

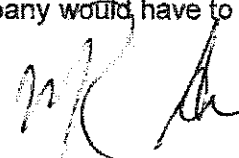
Whereas:

- 1.1 The Commission referred a complaint against Senwes to the Tribunal in terms of, *inter alia*, section 8(c) of the Act, in which it was alleged, *inter alia* that Senwes' practice of charging differential tariff fees for storage was exclusionary and had an anti-competitive effect as it impeded or prevented grain traders who compete with Senwes from expanding within the downstream market for grain trading, was thus in contravention of the Act and that the anti-competitive effect of the

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differential storage fees charged by Senwes outweighed any technological efficiency or other pro-competitive gain that it might have;

- 1.2 It was agreed by the parties and decided by the Tribunal that the merits of the complaints referred against Senwes would be dealt with in advance of dealing with remedies;
- 1.3 After hearings conducted before the Tribunal, the Tribunal found that the Commission had established its complaint against Senwes in respect of margin squeeze and that such conduct amounted to a contravention of section 8(c) of the Act;
- 1.4 Senwes appealed to the Competition Appeal Court;
- 1.5 On application by Senwes the Tribunal ordered that the Remedies Hearing be stayed pending the outcome of any appeals by either party but that the parties exchange affidavits pertaining to the issue of remedies pending the outcome of such appeals;
- 1.6 Pursuant thereto, the remedies and orders sought by the Commission were that:
 - 1.6.1 Senwes be interdicted from charging a tariff (or imposing any other storage condition) for the storage of grain that was different to that charged or imposed to any farmers/producers or from offering to any farmer/producer any benefits or discount in respect of storage costs that was not available to grain traders;
 - 1.6.2 Directing, that in the event that Senwes offered farmers/producers or any other third party terms and conditions for storage of grain which included a capped tariff in respect of such storage (i.e. an agreement not to charge for storage after a certain period), that the same terms and conditions for storage of grain be offered to all traders who stored grain with Senwes;
 - 1.6.3 Directing that all parties who stored grain with Senwes be charged for such storage on the same terms and conditions;
 - 1.6.4 In conjunction with the three immediately preceding paragraphs, that Senwes be ordered, in terms of section 58(1)(a)(iv) read with section 60(2) of the Act to sell its grain trading division or its storage division to a separate registered company (which may be a subsidiary or associate company of Senwes) (the "New Company"). The New Company was to have a separate and distinct board to that of Senwes and the directors of the New Company would have to include non-executive directors not affiliated to Senwes;

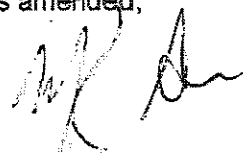


- 1.6.5 Senwes comply with the order referred to in the immediately preceding paragraph within 90 days of date of the order;
- 1.6.6 Declaring that the margin squeeze conduct found to be a contravention of section 8(c) of the Act constitutes a prohibited practice in terms of the Act for the purposes of section 65 of the Act and that for clarity it be recorded that such conduct was the conduct of Senwes in supplying storage, in a market in which it was dominant, to downstream rivals, i.e. traders which traded in the physical market for grain at a price that prevented traders which trade in the physical market for grain (i.e. competitors of Senwes) from earning a viable price/cost margin in the area in which Senwes is dominant for the period 1 May 2003 to 20 December 2006;
- 1.7 After its appeal to the Competition Appeal Court was unsuccessful Senwes appealed, with the leave of the Supreme Court of Appeal, to the Supreme Court of Appeal;
- 1.8 The Supreme Court of Appeal upheld Senwes' appeal and held that the Tribunal had exceeded its powers under the Act when it ruled that Senwes had contravened section 8(c) by engaging in a margin squeeze;
- 1.9 The Commission appealed to the Constitutional Court which Court held that a margin squeeze complaint did not form part of the referral but instead that the referral covered a contravention of section 8(c) of the Act, consequently set aside the order issued by the Supreme Court of Appeal and ordered that the ruling of the Tribunal be amended by deleting reference to 'margin squeeze';
- 1.10 The Commission and Senwes have agreed that the issues pertaining to remedies be settled in terms of this Settlement Agreement.
- 1.11 The Competition Commission and Senwes Limited hereby agree that application be made to the Competition Tribunal for the confirmation of this Settlement Agreement as an order of the Competition Tribunal in terms of section 49D as read with section 58(1)(a) and 58(1)(b) of the Competition Act, 89 of 1998, as amended on the terms set out below.

2 DEFINITIONS

For the purposes of this Agreement the following definitions shall apply:

- 2.1 "Act" means the Competition Act, 1998 (Act No. 89 of 1998), as amended;



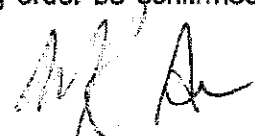
- 2.2 **"Agency Agreement"** means the Agency Agreement contemplated in clause 4.1.1.10 below, in terms of which Senwes, shall, from time to time, procure grain on behalf of grain traders, including Newco;
- 2.3 **"Agreement"** means this Settlement Agreement duly signed and concluded between the Commission and Senwes;
- 2.4 **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act, with its principal place of business at 1st Floor, Mulayo Building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng;
- 2.5 **"Commissioner"** means the Commissioner of the Commission, appointed in terms of section 22 of the Act;
- 2.6 **"Senwes"** means Senwes Limited, a company registered and incorporated in accordance with the laws of the Republic of South Africa with registration number 1997/005336/06 and with its registered office and main place of business at 1 Charel de Klerk Street, Klerksdorp, North West Province, South Africa;
- 2.7 **"Service Level Agreement"** means the Service Level Agreement to be entered into between Senwes and Newco, as contemplated in clause 4.1.1.8;
- 2.8 **"Parties"** means the Commission and Senwes;
- 2.9 **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act, with its principal place of business at 3rd Floor, Mulayo Building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng.

3 INTRODUCTION

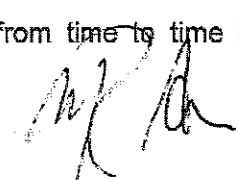
- 3.1 The parties to this agreement are the Commission and Senwes.
- 3.2 Senwes and the Commission have agreed upon the terms of an appropriate order to be submitted to the Tribunal for confirmation, without prejudice to their right to enter into a remedies hearing should the Agreement not be confirmed as an order of the Tribunal.

4 THE ORDER SOUGHT

- 4.1.1 The Commission and Senwes propose that the following order be confirmed by the Tribunal:

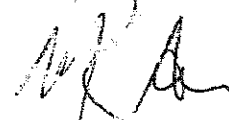
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- 4.1.1.1 It is noted that Senwes has already transferred part of its grain marketing business in relation to certain types of grain to the Bunge Senwes Joint Venture, as per the merger approval, attached hereto as **Annexure 1**. The terms of the transaction documents, submitted during that merger, shall continue to apply, and the terms of this Agreement shall, accordingly, govern the remaining grain business of Senwes which does not form part of the Bunge Senwes Joint Venture.
- 4.1.1.2 The remaining grain marketing business owned by Senwes, comprising Senwes' client base and goodwill in relation to white maize, sunflower and diverse commodities, will be transferred by Senwes to a separate legal entity owned by Senwes (referred to as "Newco") by 31 May 2014 or a date falling 9 months after the confirmation of this Agreement by the Competition Tribunal, whichever is earlier. A period of time is required to configure Senwes' financial and IT systems to accommodate the arrangement with Newco according to an indicative project plan, which has been submitted to the Commission, attached hereto as **Annexure 2**, and which will need to be updated upon the approval of this agreement by the Tribunal. During the period between the confirmation of the settlement by the Tribunal and the transfer date of the business to Newco, strict controls and processes, as appear in **Annexure 3** hereto, will be implemented and that will continue to ensure that Senwes' grain trading business and its storage business are operated as distinct business units and that the former is not treated differently to any other trader in terms of storage.
- 4.1.1.3 Senwes shall be the sole shareholder of Newco but it may introduce another company ("**Holdco**") between itself and Newco, provided that Holdco is a 100% subsidiary of Senwes and Holdco holds 100% of the shares in Newco. Although Senwes may introduce other shareholders at a later stage or restructure Newco or Holdco, any such steps will be subject to the prescribed merger notification procedure in terms of the Act.
- 4.1.1.4 Senwes may retain a separate grain procurement arm (as part of "Senwes Grainlink Operations", its silo business), which shall be entitled to contract with any grain trader, including Newco, on a non-discriminatory and arm's length basis, in terms of an Agency Agreement, as contemplated in clause 4.1.1.10, and which may procure grain subject to the restrictions set out in clause 4.1.1.11 below. Senwes' Grainlink Operations shall pay the normal storage and handling costs that will be applicable from time to time in



respect of the grain procured by its procurement arm. Senwes shall ensure that its Grainlink Operations are accounted for separately, to enable adequate monitoring of its compliance with these conditions as contemplated in clause 4.1.1.12.

- 4.1.1.5 Senwes shall offer all parties who store grain with it, including Newco, other grain traders and its Grainlink Operations (contemplated in clause 4.1.1.4 above), equal access to its various storage options on identical terms save for such differentiation that may legitimately be made under the Competition Act, taking into consideration that different storage options may be offered by Senwes, based, on the volume of grain stored, the duration or time of storage, the location of the relevant silo, the type and quality of the commodity, the capacity utilisation of the silo or such other basis of distinction as may be permitted by the Tribunal pursuant to an application brought in terms of clause 6 below. The various options shall be equally available to all Senwes' clients and its Grainlink Operations.
- 4.1.1.6 Newco will have a separate and distinct board of directors to that of Senwes, which will include (a) non-executive director/s not affiliated to Senwes. Newco and Senwes shall have their own employee incentive schemes.
- 4.1.1.7 Newco will provide statutory reports to Holdco in terms of the Companies Act (which Holdco may provide to Senwes), but no further information shall pass between Senwes and Newco, except as is generally available in the market, as is contemplated in or required for the purposes of the fulfilment of the Service Level Agreement or the Agency Agreement or as is made available pursuant to the latter agreement.
- 4.1.1.8 In terms of the Service Level Agreement to be entered into between Senwes and Newco, a copy of which has been provided to the Competition Commission, Senwes will provide support services to Newco, such as financial management, information technology and compliance services at market related rates.
- 4.1.1.9 Newco will procure grain on its own behalf in the market.
- 4.1.1.10 In terms of an Agency Agreement, a copy of which has been provided to the Competition Commission, grain traders, including Newco, may approach Senwes to procure grain on their behalf, based on mandates



given to Senwes. The Agency Agreement will provide that information flows will take place between grain traders (being Newco or other grain traders), as principals, on the one hand, and Senwes, on the other hand, as is customary in any arms-length principle-agent relationship. The Agency Agreement shall contain a provision in terms of which Senwes shall provide agency services on a non-discriminatory basis to all grain traders (including Newco) and, in particular, on a non-discriminatory basis, as between Newco, on the one hand, and other grain traders, on the other hand.

- 4.1.1.11 Senwes' procurement arm (forming part of its Grainlink Operations), may, from time to time, procure grain in Senwes' own name, but such grain will be sold on a tender or auction basis, to all traders so that Newco and other grain traders are treated equally. Information regarding the details of tenders or auctions will be communicated in accordance with the Consumer Protection Act, where applicable, and all traders will be treated equally in terms of access to information regarding the time, place and the subject matter of the auction or the terms of the tender. Alternatively, Senwes shall be entitled to deliver the grain procured in its own name onto the South African Futures Exchange ("Safex"), where all participants will have equal opportunity to purchase it according to the rules of Safex.
- 4.1.1.12 Senwes shall monitor that it is in compliance with the terms of this Agreement. In the event that the Commission requests Senwes to confirm that it is compliant with the terms of this Agreement, Senwes shall provide written confirmation to the Commission, verified by its external auditors, if so required by the Commission. Provided that for the first five years following the date of this order, Senwes shall provide the written confirmation of its compliance verified by its external auditors to the Commission. The confirmation shall be provided annually to the Commission within three months of the end of Senwes' financial year.

5 FULL AND FINAL SETTLEMENT

This Agreement, upon confirmation as an order of the Tribunal, is entered into in full and final settlement and concludes all proceedings between the Commission and Senwes relating to the subject matter of the hearing before the Tribunal under case no. 110/CR/Dec06.

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6 VARIATION OF THE AGREEMENT

The parties agree that any variation or amendment to this Agreement shall only be binding once it has been reduced to writing, signed on behalf of both Parties and confirmed by the Competition Tribunal, pursuant to an application brought by the Parties to the Tribunal, setting out the proposed amendment and the grounds upon which such amendment is sought.

SIGNED at Sandton on 13 May 2013

For and on behalf of
SENWES LIMITED



Signature

Amlie Grogan

Name of Signatory

Attorney, authorised on behalf of
Designation of Signatory Senwes Limited

SIGNED at Pretoria on 14 May 2013

For and on behalf of
THE COMPETITION COMMISSION



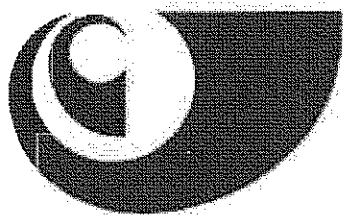
Signature

M. RAMBURATH

Name of Signatory

Commissioner

Designation of Signatory



Annexure 1

competition commission south africa

Merger Clearance Certificate

Notice CC 15

Date: 02 September 2011

About this Notice

- This notice is issued in terms of section 14 of the Competition Act.
- If this merger is subject to any conditions, the primary acquiring firm or primary target firm may request the Competition Tribunal to consider the merger by filing a Request for Consideration in Form CT4 within 10 business days after the date of this certificate. Please see Tribunal Rules 32 through 34.
- If a firm appears to have breached an obligation that is part of this approval, before taking any action to revoke this approval, the Competition Commission must deliver to that firm a Notice of Apparent Breach in Form CC19. Please refer to Commission Rules 39 and 40.

Contacting the Commission

The Competition Commission
Private Bag X23
Lynnwood Ridge
Pretoria 0040
Republic of South Africa
Tel: +27 (12) 482 9000
Fax: +27 (12) 482 9001
e-mail: ccsa@compcom.co.za

To:

SENWES LIMITED AND BUNGE SENWES AFRICA (PTY) LTD CASE NUMBER: 2011JUN0080

You applied to the Competition Commission on **08 June 2011** for merger approval in accordance with Chapter 3 of the Competition Act.

After reviewing the information you provided, the Competition Commission approves the merger in terms of section 14 (1) (b) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

☐	No conditions
☒	The conditions listed on the attached sheet.

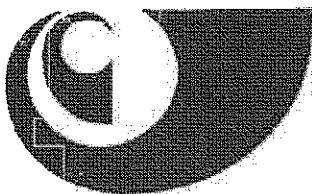
The Competition Commission has the authority in terms of section 15 of the Competition Act to revoke this approval if

- it was granted on the basis of incorrect information for which a party to the merger was responsible.
- the approval was obtained by deceit, or
- a firm concerned has breached an obligation attached to this approval.

Name and Title of person authorised to sign on behalf of the Competition Commission:

MR. MAARTEN VAN HOVEN
MANAGER: MERGERS AND ACQUISITIONS

Authorised Signature:



competition commission **south africa**

Reasons for Decision

Senwes Limited

and

Bunge Senwes Africa (proprietary) Limited

Case number: 2011Jun0080

The primary acquiring firms are Senwes Limited ("Senwes") and Bunge S.A. ("Bunge"). Senwes and Bunge have concluded a joint venture agreement in terms of which a separate legal entity, Bunge Senwes Africa Proprietary Limited ("Bunge Senwes") has been formed. Senwes is an agri-business whose majority shareholders are Senwesbel Limited ("Senwesbel") (41.1%) and The Royal Bafokeng Consortium ("RBC") (34.7%). Senwesbel's shareholders are predominantly the producers and the company is the *de facto* controlling shareholder of Senwes.

On the other hand Bunge is controlled by Koninklijke Bunge BV (NL) and is part of a multinational agro-foods and commodities trading business which is registered in Switzerland. Bunge is controlled by Bunge Limited (Europe) which operates hundreds of agribusiness facilities around the world including grain elevators, oilseed processing plants, port terminals and marketing offices. Notably, Bunge does not have any operational presence in South Africa and is not involved in the direct trading of grain, oilseeds and by-products with millers and processors in South Africa.

The primary acquiring firm is Bunge Senwes Africa (Proprietary) Limited ("Bunge Senwes"), which is a joint venture that has recently been formed by virtue of the joint venture agreement between Bunge and Senwes. Either party will be controlling 50% of the joint venture.

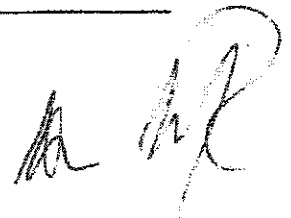
As both parties are agri-businesses involved in the trading of grain and oilseeds, there is an overlap in terms of the activities of the parties. However, Bunge has no operations in South Africa as it only operates in global markets, particularly in South America, North America and Europe whilst Senwes does not have any significant global trading operations as it has only sold very negligible volumes of

grain in international markets. As such, there is no direct overlap in terms of the geographic markets in which the partners to the joint venture operate.

For the purposes of analysing the proposed transaction, the Commission defined the relevant market as that of grain and oilseed trading in South Africa. In particular, the grain and oilseeds included in the joint venture are wheat, yellow maize and soybean. In this market, only Senwes is active in South Africa as Bunge has no operational presence, hence, there is no direct overlap between the joint venture partners. However, Bunge has sold some grains and oilseeds from international markets that have found destination in South Africa. The Commission thus analysed the proposed transaction in the context of such trades by Bunge, to the extent that they could play any influence in the South African market.

Even if Bunge has sold grains and oilseeds that have found destination in South Africa, these only comprise only a very small proportion of the South African market and would unlikely confer any market power to the joint venture. Senwes' market share is less than 10% in any of the three grains and oilseed concerned in South Africa. Thus, there are no major competition concerns of a horizontal nature arising from the joint venture, chiefly because there is no direct overlap. As Bunge has sold some grains and oilseed that have found destination in South Africa, there is however, a vertical dimension arising from the transaction. Still, the volumes traded this way are relatively small to warrant major competition concerns.

For instance, the wheat originated from Bunge only comprise 0.46% for 2010 and 10.89% in 2011 (4 months) of the total South African demand. As such, it is evident that Bunge is not a significant supplier of wheat in South Africa, although it is relatively sizeable in soybean meal (a soybean by-product for animal feeds) wherein the market share is estimated at 14.07% for 2010 and 21.8% (4 months) for 2011. Nevertheless, there are no major quasi-input or output foreclosure concerns arising. There are several alternative supplier options for local trading offices of global trading companies such as Cargill, Noble, Louis Dreyfus, Seaboard and Atlas will remain unchanged as they can source products from their global operations and are not reliant on Bunge for supply. Even if Bunge is a leading soybean trader globally, there are several soybean originating traders such as Cargill, Louis Dreyfus, Noble, and Atlas from whom local traders can source soybean from. Senwes does not directly source any grain or oilseed from international markets.



However, there is a potential competitive concern arising from the overall relationship between related markets in which the joint venture partners are involved. Senwes is the leading grain and oilseed storage operator in South Africa, and is linking up with one of the leading grain traders worldwide. Hence, there are potential issues that could arise from the combination of these joint venture partners who have significant positions in the related markets of storage and trading of grain and oilseed. In particular, Senwes may leverage its position in the storage market into the trading market.

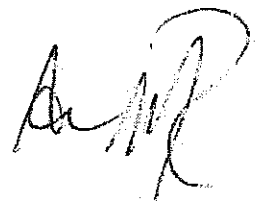
The Commission considered this issue and noted that, Senwes' incentives to engage in exclusionary conduct to the detriment of its rivals (traders) increases by virtue of this joint venture. In particular, Senwes will be incentivised to exclude rival traders from its storage facilities, particularly in Senwes catchment area where it enjoys a dominant position in storage. Such exclusionary conduct could be in the form of raising rival costs, refusal or frustrating access to storage or margin squeeze strategies. Senwes has already been the subject of prosecution by the Commission on such conduct, particularly margin squeeze, the case of which is still the subject of litigation. Whilst Senwes has submitted that it has since ceased engaging in the margin squeeze conduct, there is no existing mechanism to prevent such conduct from occurring in future. Further, its ability to engage in such strategies still exists.

Taken as a whole, it is the Commission view that considering the existing litigation between the Commission and Senwes relating to the differential pricing imposed by Senwes to its trading arm and its competitors for storage services, the Commission found that it would be appropriate to impose conditions on Senwes obliging them to provide the same terms and conditions to its customers and competitors as it provides to the joint venture.

The Commission therefore approve the transaction subject to the following conditions, which the parties have agreed to.

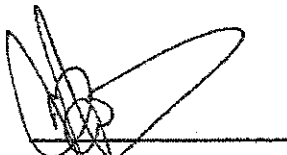
The conditions imposed are:

1. Senwes Limited ("Senwes") shall ensure that all services which are offered for purposes of the storage and handling of grain and oilseed ("storage services") to Bunge Senwes Africa (Pty)



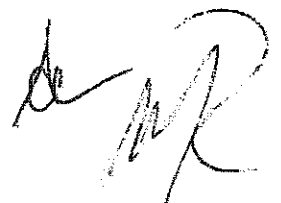
Ltd ("Bunge Senwes Africa") are made available on the same terms and conditions, including but not limited to storage and handling costs, to all other storage services customers, taking into consideration that different storage and handling options may be offered by Senwes, based, *inter alia*, on volume of grain stored, duration or time of storage or location of the relevant silo, to all clients (including Bunge Senwes Africa). These terms and conditions shall be reduced to writing and must be available to all storage services customers.

2. Paragraph 1 above of these conditions shall remain in force for as long as the joint venture agreement ("JV Agreement") between Senwes Limited and Bunge Senwes Africa is in existence.
3. Senwes shall monitor that it is in compliance with the above condition. In the event that the Commission requests Senwes to confirm that it is compliance with the condition, Senwes shall provide written confirmation to the Commission to this effect.
4. Senwes shall notify its clients in its next circular dealing with its storage and handling tariffs that the Bunge Senwes Africa joint venture was approved subject to the above conditions.



Maarten van Hoven

Manager: Mergers and Acquisitions



Annexure 2

		Name	Duration	Start	Finish	Predecessor R...
1	☒ Preparation Phase		30 days?	12/11/12 8:00 AM	1/21/13 5:00 PM	
4	☒ Blueprint Phase		14 days?	1/22/13 8:00 AM	2/8/13 5:00 PM	
5	IT Landscaping		14 days?	1/22/13 8:00 AM	2/8/13 5:00 PM	1
6	Business plan and structure		14 days?	1/22/13 8:00 AM	2/8/13 5:00 PM	1
7	☒ Realisation Phase		174 days?	2/11/13 8:00 AM	10/10/13 5:00 PM	
8	Create IT landscape		14 days	2/11/13 8:00 AM	2/28/13 5:00 PM	4
9	☒ Create SAP Org Structures and master data		75 days?	3/1/13 8:00 AM	6/13/13 5:00 PM	
10	ESAP Financial an costing (FI/CO)		30 days	3/1/13 8:00 AM	4/11/13 5:00 PM	
15	ESAP Asset Management (AM)		5 days	4/12/13 8:00 AM	4/18/13 5:00 PM	
17	ESAP Accounts Receivable (FIAR)		7 days	6/5/13 8:00 AM	6/13/13 5:00 PM	
21	ESAP Accounts Payable (FIAP)		7 days	5/1/13 8:00 AM	5/9/13 5:00 PM	
25	ESAP Material Management (MM)		25 days?	5/10/13 8:00 AM	6/13/13 5:00 PM	
33	ESAP Sales and Distribution (SD)		45 days	4/12/13 8:00 AM	6/13/13 5:00 PM	
45	ESAP Configuration		45 days	6/14/13 8:00 AM	8/15/13 5:00 PM	
46	ESAP Financial (FI)		5 days	6/14/13 8:00 AM	6/20/13 5:00 PM	
48	ESAP Costing (CO)		5 days	6/14/13 8:00 AM	6/20/13 5:00 PM	
50	ESAP Accounts Receivable (FIAR)		5 days	6/14/13 8:00 AM	6/20/13 5:00 PM	
52	ESAP Accounts Payable (FIAP)		5 days	6/14/13 8:00 AM	6/20/13 5:00 PM	
54	ESAP Material Management (MM)		45 days	6/14/13 8:00 AM	8/15/13 5:00 PM	
62	ESAP Sales and Distribution (SD)		45 days	6/14/13 8:00 AM	8/15/13 5:00 PM	
70	Non SAP Configuration		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	
71	EADS		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	
72	ADS		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	9
73	ADS Integratie na SAP		10 days	8/22/13 8:00 AM	9/4/13 5:00 PM	45
74	E-E-POCS		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	
75	E-POCS		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	9
76	E-POCS Integratie na SAP		10 days	8/22/13 8:00 AM	9/4/13 5:00 PM	45
77	Front End		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	
78	Front End		21 days	8/7/13 8:00 AM	9/4/13 5:00 PM	9
79	Front-end Integratie na SAP		10 days	8/22/13 8:00 AM	9/4/13 5:00 PM	45
80	Authorization Roles and testing		5 days	9/5/13 8:00 AM	9/11/13 5:00 PM	
82	Integration testing		21 days	9/12/13 8:00 AM	10/10/13 5:00 PM	
83	Integration testing		21 days	9/12/13 8:00 AM	10/10/13 5:00 PM	80
84	Preparation for going live		10 days?	10/11/13 8:00 AM	10/24/13 5:00 PM	

		Name	Duration	Start	Finish	Predecessor...
85		Training and documentation	10 days	10/11/13 8:00 AM	10/24/13 5:00 PM	82
86		Create Master data	5 days?	10/18/13 8:00 AM	10/24/13 5:00 PM	82
87		Create Authorization roles and assign users	3 days?	10/22/13 8:00 AM	10/24/13 5:00 PM	82
88		Create Upload files	8 days	10/15/13 8:00 AM	10/24/13 5:00 PM	82
89		Data uploads	4 days?	10/25/13 8:00 AM	10/30/13 5:00 PM	
90		Stock balances	2 days?	10/25/13 8:00 AM	10/28/13 5:00 PM	84
91		Accounts receivable history	2 days?	10/29/13 8:00 AM	10/30/13 5:00 PM	90
92		Accounts payable history	2 days?	10/29/13 8:00 AM	10/30/13 5:00 PM	90
93		GL account balances	2 days?	10/29/13 8:00 AM	10/30/13 5:00 PM	90
94		Going live	1 day	10/31/13 8:00 AM	10/31/13 5:00 PM	
95		Going live	1 day	10/31/13 8:00 AM	10/31/13 5:00 PM	89
96		Support	21 days	11/1/13 8:00 AM	11/29/13 5:00 PM	

ANNEXURE 3

Processes for the management of two separate divisions in the Interim Phase.

The grain marketing and operational (silo) divisions have separate management structures due to the distinct nature of their respective businesses. Each report on a monthly basis separately to the Executive Committee of Senwes.

The following facets of the respective divisions may be identifiable separately:

- **Administration**

The marketing division has its own back office function that is responsible for transactions concluded by the Grainlink marketing division.

The Grainlink operational division has a separate administration division.

As a result of the divergent nature of the businesses, different skills and knowledge competencies are required to perform the respective administrative functions.

Each division functions separately under its own management. The administration of both divisions falls under the financial division of Grainlink.

- **Accounting records**

Transactions are processed and recorded in the form that they are given effect to. Cost centres and profit centres are used to account separately for the costs and income of the respective divisions.

For this reason, financial and management information is available separately for each division.

Management accounts in the form of an income statement, balance sheet and cash flow statement are prepared on a monthly basis.

- **Stock records**

Parameters for various batches of stock have been created for the marketers of grain, within which they are able to make independent decisions with respect to the different storage options which are available to them (and any other grain owner)

A handwritten signature in dark ink, appearing to be 'A. M. K.', located in the bottom right corner of the page.

The stock, that is owned and managed by the marketing division, is accounted for separately and the various options under which grain may be stored are available to all purchasers and the marketing division on equal terms.

- **Processes**

As a result of the divergent nature of the businesses, unique processes are required by the respective divisions.

The marketing division does not enjoy the benefit of access to a unique storage terms, compared to any other purchaser or owner of grain. The same storage terms are thus available to the marketing division and other grain purchasers.

- **Recording of transactions**

Transactions are accounted for separately.

In cases where a relationship exists between transactions concluded by the marketing division and the operational division, these transactions are identified and verified separately. These transactions are approved by the respective managers and the conditions and requirements are specified and documented clearly.

These transactions are verified by hand as an additional measure to ensure that the relevant conditions have been met.

- **Inter-group tariffs payable**

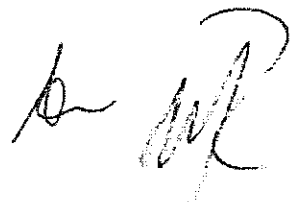
The same tariffs are raised between the divisions as are applied to any third party or purchaser and no distinction is made between them.

The tariffs, as communicated in Senwes' Summer and Winter grain circulars, serve as the basis for invoicing.

Processes have been implemented to achieve the "invoicing" of charges between the various divisions.

Each division has separate budgets and targets.

Due care is applied to ensure that the marketing and operational divisions function autonomously.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a large, looped 'P'.