



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM231Nov17

In the matter between:

Safety SA Holdco (Pty) Ltd

Primary Acquiring Firm

and

NOSA Investment Holdings (Pty) Ltd

Primary Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Medi Mokuena (Tribunal Member)
	: Fiona Tregenna (Tribunal Member)
Heard on	: 06 December 2017
Order Issued on	: 06 December 2017
Reasons Issued on	: 14 December 2017

Reasons for Decision

Approval

- [1] On 06 December 2017, the Competition Tribunal ("Tribunal") approved the proposed transaction between Safety SA Holdco (Pty) Ltd and NOSA Investment Holdings (Pty) Ltd.
- [2] The reasons for approving the proposed transaction follow.

Parties to proposed transaction

Primary acquiring firm

- [3] The primary acquiring firm is Safety SA Holdco (Pty) Ltd ("Safety SA"), a private company incorporated in accordance with the company laws of the Republic of South Africa. Safety SA is a newly-incorporated acquisition vehicle and, as such, does not conduct any business activities, nor does it control any firms.
- [4] Safety SA is wholly owned and controlled by First Carlyle Growth V ("Carlyle"), which in turn is owned by Carlyle Sub-Saharan Africa Fund Limited ("CSSAF"), a Mauritian company.
- [5] CSSAF is managed by its member, CSSAF Managing Partnership L.P., a Cayman Islands limited partnership that is indirectly, wholly-controlled by the Carlyle Group L.P. ("the Carlyle Group").
- [6] The Carlyle Group is a Delaware limited partnership that is publicly traded and listed on the NASDAQ Stock Exchange. Further, the Carlyle Group is not controlled by any firm.
- [7] The Carlyle Group is a global alternative asset manager which manages funds that invest globally across four disciplines: Corporate Private Equity, Real Assets, Global Market Strategies, and Fund of Funds Solutions.

Primary target firm

- [8] The primary target firm is NOSA Investment Holdings (Pty) Ltd ("NOSA"), a private company incorporated in accordance with company laws of the Republic of South Africa. It should be noted that NOSA itself is not being acquired, but rather a number of entities currently under the control of NOSA are the subject of this transaction.¹
- [9] NOSA is directly owned by MICROmega Holdings Limited ("MICROmega"). NOSA has numerous subsidiaries in countries such as Zambia, Hong Kong, Mozambique and Mauritius. NOSA controls a number of entities in South Africa, including the entities which are to be acquired by Safety SA ("the Target Companies²").

¹ Transcript page 3, lines 11-14.

² NOSA Global Holdings Limited; Action Training Academy (Pty) Ltd; Empowerisk (Pty) Ltd; NOSA Auditing and Inspection Service (Pty) Ltd; National Quality Assurance (Pty) Ltd; NOSA (Pty) Ltd; Riskworks (Pty) Ltd; Aspirata Auditing Testing and Certification (Pty) Ltd;

- [10] The following subsidiaries of NOSA are excluded from the proposed transaction: NOSA Technologies (Pty) Ltd, NOSA Investment Holdings Limited (Hong Kong), and NOSA Zambia (Pty) Ltd.

Proposed transaction

- [11] In terms of the Sale of Shares Agreement, Carlyle (through Safety SA) will directly or indirectly purchase all of the shares held by NOSA in the Target Companies.
- [12] Further Carlyle will acquire the registered trademarks and domain names in all other jurisdiction and all copyrights, know-how and other IP rights in all jurisdictions owned by MICROmega and/or its subsidiaries that is also not a Target Company and/or used by any of the Target Companies in the conduct of their business

Rationale

- [13] Carlyle views the NOSA group as an attractive occupational health and safety player which has the scope to develop its business in other emerging markets, however this requires time, effort and strategic management to achieve, which Carlyle can provide.

Impact on competition

- [14] The Commission considered the activities of the merging parties and found that they do not overlap as the Carlyle Group does not have any controlling or non-controlling interests in businesses providing occupational health, safety and environmental risk management services and solutions in South Africa.

Public interest

- [15] The Commission found that there are no concerns regarding any retrenchments or job losses as a result of the proposed transaction as the acquiring firm does not have any employees.³

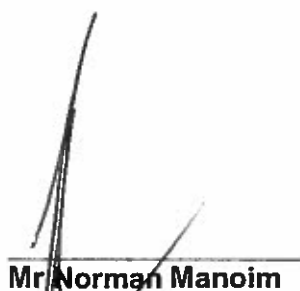
NOSA Agricultural Services (Pty) Ltd; MICROmega Publications (Pty) Ltd; NOSA Logistics (Pty) Ltd; NOSA Enterprise Consultancy (Shenzhen) Company Limited; Action Training Consulting (Pty) Ltd; Empowerisk Management Service (Pty) Ltd; National Occupation Safety Association (Namibia) (Pty) Ltd; NOSA New Zealand (Pty) Ltd; NOSA Support Services (Pty) Ltd; and Swazi Occupational Health and Safety (Pty) Ltd.

³ *Inter alia* Commission's Recommendation page 12.

[16] Further, the Commission was of the view that the proposed transaction is unlikely to raise concerns on any other public interest grounds.

Conclusion

[17] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market or raise any adverse public interest issues. Accordingly, we approve the proposed transaction unconditionally.



Mr Norman Manoim

14 December 2017
DATE

Mrs Medi Mokuena and Prof. Fiona Tregenna concurring

Case Manager:	Kameel Pancham
For the merging parties:	Shawn van der Meulen from Webber Wentzel
For the Commission:	Innocent Mhlongo