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ANNEXURE "A"

**Novus Print Proprietary Limited**

and

**Pearson South Africa Proprietary Limited**

**Case No: 2022AUG0049**

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CONDITIONS

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1. **DEFINITIONS**

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings -

- 1.1. **"Acquiring Firm"** means Novus Print Proprietary Limited;
  - 1.2. **"Approval Date"** means the date referred to on the Commission's Merger Clearance Certificate (Form CC 15);
  - 1.3. **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;
  - 1.4. **"Competition Act"** means the Competition Act, No. 89 of 1998, as amended;
  - 1.5. **"Commission Rules"** mean the Rules for the Conduct of Proceedings in the Commission;
  - 1.6. **"Commercially Reasonable and Practical Terms"** means terms that provide for the application of appropriate quality standards (based on Novus Print and Pearson SA's usual and standard business practices in South Africa over time), reasonable availability of goods, and reasonably competitive commercial terms. Such terms shall be regarded as commercially unreasonable or impractical if the Merger Parties have, before calling off further negotiations with an affected supplier, given that
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supplier written notice as to the reasons why its terms of supply were considered not to provide for appropriate quality standards, reasonable availability, or reasonably competitive commercial terms;

- 1.7. **"Conditions"** mean these conditions, and **"Condition"** means, as the context requires, any one of them;
- 1.8. **"Days"** mean any calendar day which is not a Saturday, a Sunday or an official public holiday in South Africa;
- 1.9. **"HDPs"** mean historically disadvantaged persons, as defined in section 3(2) of the Competition Act;
- 1.10. **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;
- 1.11. **"Merger"** means the acquisition of control of the Target Firm by the Acquiring Firm;
- 1.12. **"Merging Parties"** means collectively the Acquiring Firm and the Target Firm;
- 1.13. **"Moratorium Period"** means a period of 5 (five) years from the Implementation Date and includes the period between the Approval Date and the Implementation Date.
- 1.14. **"SMEs"** means small businesses and medium-sized businesses as defined in the Competition Act;
- 1.15. **"SME and HDP printing service providers"** means the existing SME and HDP printing service providers and includes any new SME and HDP printing service providers that may become available post-merger;
- 1.16. **"Target Firm"** means Pearson South Africa Proprietary Limited; and
- 1.17. **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act.

## 2. **CONDITIONS TO THE APPROVAL OF THE MERGER**

### 2.1. **Employment**

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- 2.1.1. The Merging Parties shall not retrench any employees as a result of the Merger during the Moratorium Period.
- 2.1.2. For the sake of clarity, retrenchments do not include (i) voluntary retrenchments and/or voluntary separation arrangements; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act 66 of 1995; (iv) resignations or retirements in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the Merger; and (vi) terminations in the ordinary course of business, including but not limited to dismissals as a result of misconduct or poor performance.
- 2.1.3. If any positions become available within the Merging Parties within 3 (three) years from the Approval Date, the Acquiring Firm will consider employing the former employees of the Acquiring Firm who had been retrenched by the Acquiring Firm in 2022, in circumstances where their skillsets are similar to, and/or suitable for, the relevant positions which may become available, and the Acquiring Firm and the relevant employee(s) are able to agree to mutually agreeable terms of employment. In this regard, a database of the aforementioned employees will be created and maintained during the aforesaid 3 (three) year period.

2.2. **Procurement of services from SME and HDP printing providers**

- 2.2.1. The Merging Parties will procure printing services from SME and HDP printing service providers, up to at least the gross value of such spend incurred by the Target Firm for services provided to it by SME and HDP printing service providers during the 12 (twelve) month period prior to the Approval Date, on similar terms and conditions, for a period of 5 (five) years from the Implementation Date.
- 2.2.2. The Condition in paragraph 2.2.1 above is subject to the Target Firm requiring similar volumes of equivalent product in future and such procurement being on Commercially Reasonable and Practical Terms.

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2.3. [REDACTED]

2.3.1. [REDACTED]

2.3.2. [REDACTED]

2.4. **Pricing**

2.4.1. Novus Print will not sell printing services to competitors of Pearson SA at prices less favourable to the prices paid by Pearson SA to Novus Print for services of like grade and quality in equivalent transactions for a period of 5 (five) years from Implementation Date.

2.4.2. Notwithstanding the Condition in paragraph 2.4.1, conduct involving differential pricing to purchasers will not be precluded if the differential pricing -

2.4.2.1. makes only reasonable allowance for differences in cost or likely cost of manufacture, distribution, sale, promotion or delivery resulting from-

2.4.2.1.1. the differing places to which goods or services are supplied to different purchasers;

2.4.2.1.2. methods by which goods or services are supplied to different purchasers; or

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2.4.2.1.3. quantities in which goods or services are supplied to different purchasers;

2.4.2.2. is constituted by doing acts in good faith to meet a price or benefit offered by a competitor; or

2.4.2.3. is in response to changing conditions affecting the market for the goods or services.

### 3. MONITORING

3.1. The Merging Parties will each circulate a copy of the employment Conditions to their employees, the trade union and employee representatives within five (5) Days of the Implementation Date.

3.2. As proof of compliance herewith, each of the Merging Parties must, within five (5) Days of circulating the employment Conditions as required in paragraph **Error! Reference source not found.**, submit an affidavit by a senior official authorised by, and on behalf of, that Merger Party attesting to the circulation of the employment Conditions and provide written evidence of such circulation.

3.3. The Acquiring Firm shall inform the Commission in writing of the Implementation Date, within 5 (five) Days of its occurrence.

3.4. The Acquiring Group shall, within 20 days of the Implementation Date:

3.4.1. publish a non-confidential version of the conditions on the Acquiring Group and Target Firm's websites;

3.4.2. to ensure that relevant SME/HDP printing suppliers and courseware publishers are aware of the conditions, the Acquiring Group shall provide a non-confidential version of the conditions to the Publishers Association of South Africa, and request that this association announces the conditions;

3.5. The Merging Parties shall, within 15 (fifteen) Days of the Implementation Date, provide to the Commission the Target Firm's total procurement value of printing

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services from SMEs and HDP firms during the 12 (twelve) months prior the Approval Date.

3.6. A compliance report will be submitted by the Merging Parties to the Commission on the anniversary of the Implementation Date for a period of three (3) years in respect of the Condition set out in paragraph 2.1.3 and 5 (five) years for the remaining Conditions.

3.7. The Commission may request any additional information from the Merging Parties which the Commission from time to time may deem necessary for purposes of monitoring the extent of compliance with these Conditions.

4. **APPARENT BREACH**

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.

5. **VARIATION**

The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be lifted, revised and/or amended. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown, for the Conditions to be lifted, revised and/or amended. The Merging Parties will use all reasonable endeavours to consult with existing SME and HDP printing service providers prior to an application for variation as contemplated in terms of the condition in paragraph 2.2 above.

6. **GENERAL**

All correspondence in relation to the Conditions must be submitted to the following e-mail addresses: [mergerconditions@compcom.co.za](mailto:mergerconditions@compcom.co.za) and [ministry@thedtic.gov.za](mailto:ministry@thedtic.gov.za).