



**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No.: CO038May19

In the matter between:

The Competition Commission

Applicant

and

Iflight Technology Co Ltd

Respondent

Panel : E Daniels (Presiding Member)
A Wessels (Tribunal Member)
A Roskam (Tribunal Member)

Heard on : 25 September 2019
Last submission on : 7 November 2019
Decided on : 7 November 2019

Consent Agreement

The Tribunal hereby confirms the consent agreement as agreed to and proposed by the Competition Commission and Iflight Technology Co Ltd annexed hereto marked "A" together with the attached addendum annexed "B".

**Presiding Member
E Daniels**

7 November 2019
Date

Concurring: A Wessels and A Roskam

"A"
COD38May19

**IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)**

CT Case No.

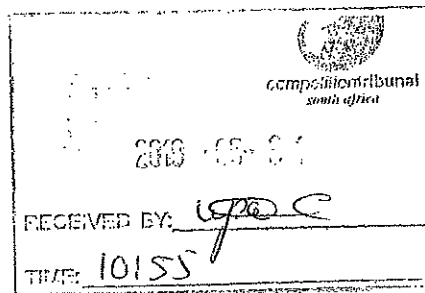
CC Case No. 2017SEP0011

In the matter between

COMPETITION COMMISSION

and

IFLIGHT TECHNOLOGY CO LTD



Applicant

Respondent

FILING SHEET

TAKE NOTICE THAT the Applicant files herewith the following documents:

1. Competition Tribunal Form CT 6; and
2. Settlement Agreement between the Competition Commission and iFlight Technology Co Ltd.

DATED AT PRETORIA ON THIS 23rd DAY OF MAY 2019.

COMPETITION COMMISSION

Applicant
77 Meintjies Street
Sunnyside
Pretoria

Tel: 012 394 5675

Ref: Maya Swart / Nomkhosi Mthethwa-Motsa

E-mail: MayaS@compcom.co.za/
NomkhosiM@compcom.co.za

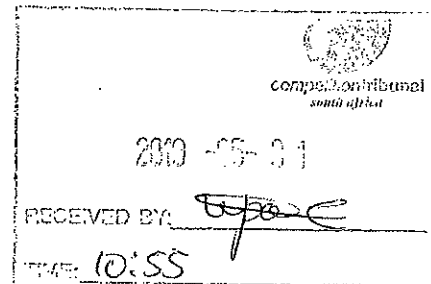
TO:

THE REGISTRAR

Competition Tribunal
Block C, The dti Campus
77 Meintjies Street
Sunnyside
Pretoria

Tel: 012 394 3355

Email: ctsa@comptrib.co.za/ leratom@comptrib.co.za



AND TO:

IFLIGHT TECHNOLOGY CO LTD

Respondent

Room 912-916 9/F

Building 16W

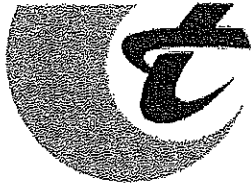
HK Science Park Science Park West Avenue

Shatin, NT

HongKong

Email: steven.zhao@dji.com/

daria.chan@dji.com



competitiontribunal

SOUTH AFRICA

Form CT 6

About this Form

This Form is issued in terms of the Competition Tribunal Rules.

Please indicate in the space provided the nature of your motion, including specific reference to the relevant section of the Act or Tribunal Rules.

If this Notice of Motion concerns a matter being brought in terms of Division E of Part 4 of the Competition Tribunal Rules, it must comply with the requirements of Competition Tribunal Rule 42(3).

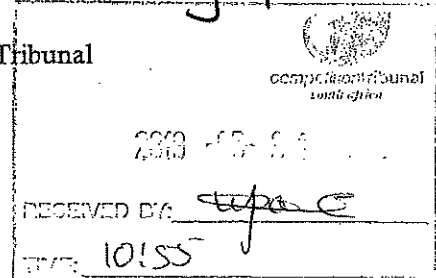
Contacting the Tribunal

The Competition Tribunal
Private Bag X24
Sunnyside
0132
Republic of South Africa
tel: 27 12 394 3300
e-mail: ctsa@comptrib.co.za

Notice of Motion

Date: 30 May 2019 File # C0038 May 19

To: The registrar of the Competition Tribunal



Concerning the matter between:

Competition Commission (Applicant)
and iFlight Technology Co Ltd (Respondent)

Take notice that the Competition Commission
intends to apply to the Tribunal for the following order:

Confirming that the attached consent agreement entered into between the Applicant and Respondent as an order of the Tribunal in terms of sections 58(1)(a)(iii) and 58(1)(b) of the Competition Act 89 of 1998, as amended.

Name and Title of person authorised to sign:

Bukhosibakhe Majenge - Chief Legal Counsel

Authorised Signature:

Date:

30 May 2019

For Office
Use Only:

Tribunal file number:

Date filed:



**IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)**

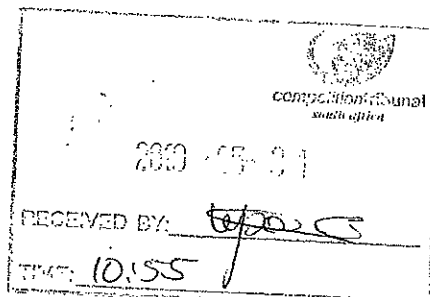
CT Case No. *C0038 May 19*
CC Case No. 2017SEP0011

In the matter between

COMPETITION COMMISSION

and

IFLIGHT TECHNOLOGY CO LTD



Applicant

Respondent

CONSENT AGREEMENT BETWEEN THE COMPETITION COMMISSION AND IFLIGHT TECHNOLOGY IN RESPECT OF AN ALLEGED CONTRAVENTION OF SECTION 5(2) OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED).

PREAMBLE

The Competition Commission ("the Commission") and IFlight Technology Co Ltd hereby agree that application be made to the Competition Tribunal ("Tribunal") for the confirmation of this Consent Agreement as an order of the Tribunal in terms of section 27(1)(d) read with section 49D of the Competition Act 89 of 1998, as amended, in respect of a contravention of section 5(2) of the Act in the terms set out below:

2.2 The Commission conducted an investigation into the Respondent's alleged conduct and found the following:

2.2.1 iFlight Technology Co Ltd engaged in the practice of minimum resale price maintenance in contravention of section 5(2) of the Act. iFlight Technology Co Ltd contravened section 5(2) of the Act by requiring the Complainant to sell its products to its network of retailers at a price not lower than a price specified by iFlight Technology Co Ltd. The minimum retail price for Mavic Pro and Mavic Pro Flymore drones was set at R19, 999 and R25, 999, respectively. The Complainant however, sold these products for R19, 889 and R24, 399 respectively;

2.2.2 The Commission's investigation revealed that this conduct took place during the period of May 2017.

3. ADMISSION

3.1 iFlight Technology Co Ltd admits that it has engaged in the conduct of minimum resale price maintenance in contravention of section 5(2) of the Act by requiring Smashtronics to sell its drone products at a specified minimum retail price during the period of May 2017.

4. AGREEMENT CONCERNING THE RESPONDENT'S FUTURE CONDUCT

4.1 IFlight agrees to:

4.1.1 Desist from the conduct described above;

4.1.2 Resume supplying Smashtronics subject to supply availability, in accordance with IFlight's standard terms and conditions, which may be adjusted from time to time.

4.1.3 Develop, implement and monitor a competition law compliance programme incorporating corporate governance designed to ensure that its employees, management, directors and agents do not engage in future contraventions of the Act. In particular, such compliance programme will include a mechanism for the monitoring and detection of any contravention of the Act;

4.1.4 To submit a copy of a compliance programme to the Commission within 60 days of the date of confirmation of the Consent Agreement as an order by the Tribunal ; and

4.1.5 To circulate a statement summarizing the content of this Consent Agreement to all management and operational staff employed at Stuart Fabrics within 60 days from the date of confirmation of this Consent Agreement by the Tribunal.

6. ADMINISTRATIVE PENALTY

5.1 Having regard to the provisions of sections 58(1)(a)(iii) read with sections 58(1)(e), 59(2) and 59(3) of the Act, IFlight accepts that it is liable to pay an administrative penalty.

5.2 IFlight undertakes to pay an administrative penalty amounting to R139 400.00 (One Hundred and Thirty Nine Thousand, Four Hundred Rand.)

5.3 This amount does not exceed 10% of IFlight's total annual turnover in the Republic of South Africa during IFlight's preceding financial year.

5.4 IFlight will pay the amount set out above to the Commission within 30 days (thirty) from the date of confirmation of this Consent Agreement by the Tribunal.

5.5 The penalty must be paid into the Commission's bank account which is as follows:

NAME: THE COMPETITION COMMISSION

BANK: ABSA BANK BUSINESS BANK

ACCOUNT NUMBER: 40-6764-1778

BRANCH CODE: 632005

PAYMENT REF: 2017SEP0011/IFlight

5.6 The penalty will be paid over by the Commission to the National Revenue Fund in accordance with the provisions of section 59(4) of the Act

6. FULL AND FINAL SETTLEMENT

6.1 This Consent Agreement, upon confirmation as an order by the Tribunal, is entered into in full and final settlement and concludes all proceedings between the Commission and IFlight relating to any alleged contravention of the Act that is the subject of the Commission's investigation under Commission Case No.

2017Sep0011

Dated and signed at Flat 1209, 12-9/F, on the 16th day of
March 2018 *Building 16W, HK Science Park West A NT, HK*



For [IFLIGHT

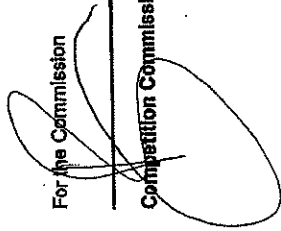
[Signature]

Chief Executive Officer

Dated and signed at 15 Hw ANE on the 22nd day of
MAY 2019

For the Commission

Competition Commissioner



"B"

**IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)**

CT Case No. CO038May19

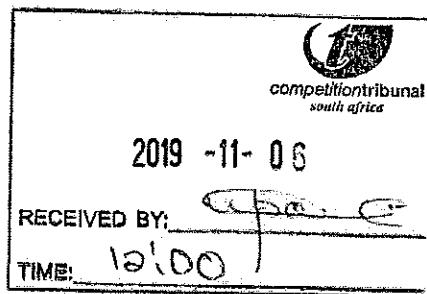
CC Case No. 2017SEP0011

In the matter between

COMPETITION COMMISSION

and

IFLIGHT TECHNOLOGY CO LTD



Applicant

Respondent

FILING SHEET

TAKE NOTICE THAT the Applicant files herewith the following documents:

1. Addendum to consent agreement between the Competition Commission and iFlight Technology Co Ltd.

DATED AT PRETORIA ON THIS 06th DAY OF NOVEMBER 2019.


COMPETITION COMMISSION
Applicant
77 Meintjies Street
Sunnyside
Pretoria

Tel: 012 394 5675

Ref: Maya Swart / Nomkhosi Mthethwa-Motsa

E-mail: MayaS@compcom.co.za/

NomkhosiM@compcom.co.za

TO:

THE REGISTRAR

Competition Tribunal

Block C, The dti Campus

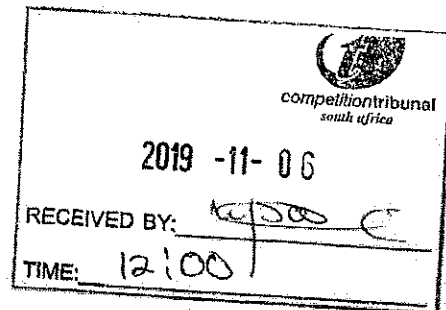
77 Meintjies Street

Sunnyside

Pretoria

Tel: 012 394 3355

Email: cts@comptrib.co.za/ leratom@comptrib.co.za



AND TO:

IFLIGHT TECHNOLOGY CO LTD

Respondent

Room 912-916 9/F

Building 16W

HK Science Park Science Park West Avenue

Shatin, NT

HongKong

Email: steven.zhao@dji.com/

daria.chan@dji.com

IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)

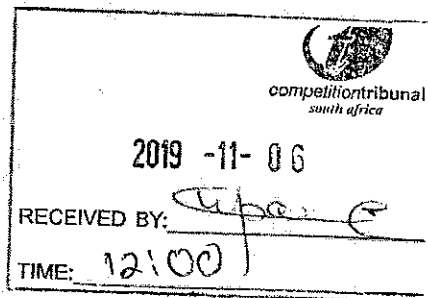
CT Case No. CO038May19
CC Case No. 2017SEP0011

In the matter between

COMPETITION COMMISSION

and

IFLIGHT TECHNOLOGY CO LTD



Applicant

Respondent

**ADDENDUM TO CONSENT AGREEMENT BETWEEN THE COMPETITION
COMMISSION AND IFLIGHT TECHNOLOGY IN RESPECT OF AN ALLEGED
CONTRAVENTION OF SECTION 5(2) OF THE COMPETITION ACT 89 OF 1998
(AS AMENDED).**

1. Terms and abbreviations used in this document ("the Addendum") shall have the meaning assigned to them in the parties' consent agreement signed on 11 March 2019 by (IFlight Technology Co Ltd) and 22 May 2019 (by the Commission) and presented for confirmation by the Competition Tribunal on 25 September 2019 (the "Consent Agreement"), is amended as follows:

PURPOSE

2. The purpose of this addendum is to correct the erroneous reference to Stuart Fabrics in clause 4.1.5. of the consent agreement. Stuart Fabrics is not a party to this proceeding or agreement. The clause ought to have referred to iFlight.

CORRECTION OF PARAGRAPH 4.1.5

(AGREEMENT CONCERNING THE RESPONDENT'S FUTURE CONDUCT)

3. Paragraph 4.1.5 is amended as by replacing the words "Stuart Fabrics" with the word "iFlight" so that the amended paragraph reads as follows:

"To circulate a statement summarizing the contents of this Consent Agreement to all management and operational staff employed at iFlight within 60 days from the date of confirmation of this Consent Agreement by the Tribunal."

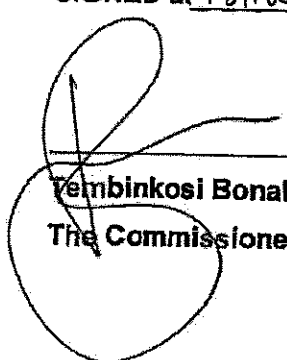
4. This Addendum forms an amendment to and an integral part of the Consent Agreement, the terms of which remain otherwise unchanged.

SIGNED at Shenzhen, China on this the 28th day of Oct. 2019.



Duly authorised signatory
iFlight Technology Co Ltd

SIGNED at ISHWANE, SA on this the 4th day of NOVEMBER 2019.



Tembinkosi Bonakele

The Commissioner, Competition Commission

77