



**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No.: LM012Apr25

In the matter between:

Pepkor Trading (Pty) Ltd

Primary Acquiring Firm

And

The Retail Brands and businesses known as “Legit”,
“Style”, “Boardmans”, “Swagga” and “Beaver Canoe”
from Retailability (Pty) Ltd

Primary Target Firm

Panel: T Vilakazi (Presiding Member)
I Valodia (Tribunal Member)
A Ndoni (Tribunal Member)
Heard on: 20 August 2025
Date of last submission: 25 August 2025
Decided on: 27 August 2025

ORDER

Further to the recommendation of the Competition Commission in terms of section 14A(1)(b)(ii) of the Competition Act, 1998 (“the Act”) the Competition Tribunal orders that–

1. the merger between the abovementioned parties be approved subject to the conditions set out in “**Annexure A**” in terms of section 16(2)(b) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Signed by: Thando Vilakazi
Signed at: 2025-08-27 13:13:31 +02:00
Reason: Witnessing Thando Vilakazi

Thando Vilakazi

**Presiding Member
Prof. Thando Vilakazi**

27 August 2025

Date

Concurring: Prof. Imraan Valodia and Ms Andiswa Ndoni

Notice CT 10

About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

Contacting the Tribunal

The Competition Tribunal
Private Bag X24
Sunnyside
Pretoria 0132
Republic of South Africa
tel: 27 12 394 3300
fax: 27 12 394 0169
e-mail: ctsa@comptrib.co.za

Merger Clearance Certificate

Date : 27 August 2025

To : ENS Attorneys

Case Number: LM012Apr25

Pepkor Trading (Pty) Ltd And The Retail Brands and businesses known as "Legit", "Style", "Boardmans", "Swagga" and "Beaver Canoe" from Retailability (Pty) Ltd

You applied to the Competition Commission on **17 April 2025** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) 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 Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

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

The Registrar, Competition Tribunal

Tebogo H. Mphahlele

CONFIDENTIAL

ANNEXURE A

**PEPKOR TRADING PROPRIETARY LIMITED
AND
THE RETAIL BRANDS AND BUSINESSES KNOWN AS “LEGIT”, “STYLE”,
“BOARDMANS”, “SWAGGA” AND “BEAVER CANOE” FROM RETAILABILITY
PROPRIETARY LIMITED**

CT CASE NUMBER: LM012Apr25

CONDITIONS

1. DEFINITIONS

The following expressions shall bear the meanings assigned to them below, and related expressions bear corresponding meanings –

- 1.1 **"Acquiring Firm"** means Pepkor Trading Proprietary Limited;
- 1.2 **"Act"** means the Competition Act, 89 of 1998, as amended;
- 1.3 **"Affected Employees"** means the [REDACTED] employees of the Acquiring Firm and [REDACTED] employees of the Target Businesses who were employed at stores identified as underperforming and retrenched as a result of the closure of such stores;
- 1.4 **"Approval Date"** means the date referred to on the Tribunal's merger clearance certificate (Form CT 10), being the date on which the Merger is approved in terms of the Act;
- 1.5 **"B-BBEE"** means broad-based black economic empowerment as defined in the B-BBEE Act;
- 1.6 **"B-BBEE Act"** means the Broad-Based Black Economic Empowerment Act, 53 of 2003, as amended, and the relevant Codes of Good Practice, as amended;

- 1.7 **"Commission"** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act;
- 1.8 **"Competition Rules"** means the Rules for the Conduct of Proceedings in the Commission;
- 1.9 **"Conditions"** means the conditions set out herein;
- 1.10 **"CTFL"** means clothing, textiles, footwear and leather;
- 1.11 **"Days"** means any calendar day other than a Saturday, a Sunday or an official public holiday in South Africa;
- 1.12 **"Implementation Date"** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merger Parties;
- 1.13 **"locally manufactured merchandise"** means the apparel manufactured in South Africa which includes clothing, footwear and accessories which are sold to the public by the Merged Entity;
- 1.14 **"Merged Entity"** means the entity (being Pepkor Speciality and each respective Target Business) that will exist after the implementation of the Merger;
- 1.15 **"Merger"** means the transaction in terms of which the Acquiring Firm will acquire control of the Target Businesses;
- 1.16 **"Merger Parties"** means collectively the Acquiring Firm and the Target Businesses;
- 1.17 **"Moratorium Period"** means a period of 2 (two) years from the Implementation Date;
- 1.18 **"Seller"** means Retailability Proprietary Limited;
- 1.19 **"SMEs"** means all existing (and includes any new) firms referred to as exempt micro-enterprises and qualifying small enterprises as defined in the B-BBEE Act;
- 1.20 **"Substantially Empowered"** means existing (and includes any new) firms with verified level 1 B-BBEE contributor status in terms of the B-BBEE Act;
- 1.21 **"Target Businesses"** means the retail brands and businesses known as "Legit", "Style", "Boardmans", "Swagga" and "Beaver Canoe";

- 1.22 **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act; and
- 1.23 **"Tribunal Rules"** means the Rules for the Conduct of Proceedings in the Tribunal.

CONDITIONS

2. EMPLOYMENT CONDITION

- 2.1 The Acquiring Firm shall employ the employees of the Target Businesses on terms and conditions that are on the whole not less favourable than the employment terms and conditions which exist prior to the Approval Date.
- 2.2 The terms and conditions of employment of the employees of the Target Businesses shall then, after the Implementation Date (i.e. after all contracts have been transferred in terms of the relevant labour legislation), remain unchanged for the duration of the Moratorium Period, unless the proposed changes are improvements to the terms and conditions.
- 2.3 The Acquiring Firm shall not retrench any employees of the Target Businesses as a result of the Merger for the duration of the Moratorium Period.
- 2.4 Any retrenchment during the Moratorium Period at the Target Businesses will be presumed to be merger specific and/or as a consequence to the Merger unless the Merged Entity can demonstrate otherwise.
- 2.5 For the avoidance of doubt, retrenchments do not include: (i) voluntary retrenchment and/or voluntary separation arrangements; (ii) voluntary early retirement packages; (iii) terminations arising from unreasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act; (iv) resignations or retirements in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the Merger; (vi) terminations in the ordinary course of business, including but not limited to dismissals as a result of misconduct (including breaches of employment terms, conditions and guidelines, unlawful, inappropriate, criminal conduct or similar grounds 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.

- 2.6 For a period of 36 (thirty-six) months from the Approval Date, the Merged Entity shall keep a record of the Affected Employees. In the event that employment opportunities arise within the Target Businesses or the Acquiring Firm, the Merged Entity shall notify the Affected Employees of those employment opportunities and afford first preference to the Affected Employees who apply for such employment opportunities on terms mutually acceptable to the parties, taking into account all relevant considerations including qualifications, skills, know-how, experience and location.

3. **SUPPLIER CONDITION**

- 3.1 In compliance with the International Labour Organization Recommendations, Protocols and Conventions and national legislation, noting that where there is a discrepancy between the requirements in relation to the foregoing, the one that offers the greatest protection for workers and the environment shall apply, the Merged Entity shall take all necessary and proportionate steps that are commercially reasonable, for the duration of the reporting period as set out in clause 5.4 below to:
- 3.1.1 work with CTFL suppliers in South Africa of the Target Businesses to understand, avoid and address risks associated with human rights; and update all sourcing agreements for new orders to reflect a commitment to human rights standards and compliance with South Africa's labour laws.
- 3.2 From the Implementation Date, the Merged Entity undertakes to do inspections of the facilities of new suppliers of the Merged Entity prior to placing an order with them and for the duration of the reporting period as set out in clause 5.4.
- 3.3 The Merged Entity will conduct at least 12 inspections of current suppliers' manufacturing facilities in the first 12 months post the Implementation Date (of which at least half will be inspections of the Target Businesses) and anticipates

that this will increase over the balance of the aforementioned reporting period as set out in clause 5.4. The supplier facilities will be selected on a randomised basis.

- 3.4 The Merged Entity undertakes, within three months of the Implementation Date, to inform all CTFL suppliers in South Africa of the Merged Entity of the standards mentioned in 3.1. above through circulating its supplier code of conduct.
- 3.5 In respect of 3.1, where any non-compliance, deficiencies or abuses are identified, the Merged Entity shall take appropriate actions as soon as practicable in an attempt to ensure compliance from its CTFL suppliers in South Africa.
- 3.6 For a period of 3 (three) years from the Implementation Date, the Merged Entity commits to participate in, and support any, industry-wide related initiatives to improve the supply chain conditions in the CTFL industry in South Africa, provided that such initiatives hold all role players, including competitors, to the same standards.

4. PROCUREMENT CONDITION

- 4.1 For a period of 3 (three) years from the Implementation Date, subject to such products being available from SMEs and Substantially Empowered manufacturers at the appropriate quality standards and on competitive commercial terms, the Merged Entity shall ensure that the value of locally manufactured merchandise procured by the Merged Entity from South African SMEs and Substantially Empowered manufacturers shall equal or exceed the value of locally manufactured merchandise procured on a combined basis by the Merged Entity from South African SMEs and Substantially Empowered manufacturers for the relevant periods preceding the Implementation Date as described below.
 - 4.1.1 For the 12-month period up to the end of July 2025, Pepkor Speciality's procurement value from South African SMEs and Substantially Empowered manufacturers was [REDACTED].
 - 4.1.2 The Target Business' procurement value from South African SMEs and Substantially Empowered manufacturers for the 12-month period from July 2025 in relation to orders placed to date is as follows: [REDACTED] The Commission acknowledges that this figure is indicative only given the

system challenges of the Target Businesses and will be updated in terms of the process set out in paragraph 5.3. below.

5. MONITORING OF COMPLIANCE WITH THE CONDITIONS

- 5.1 The Merger Parties shall inform the Commission in writing of the Implementation Date within 5 (five) Days of its occurrence.
- 5.2 The Acquiring Firm shall within 10 (ten) Days of the Implementation Date, circulate a non-confidential version of the Conditions to the employees and/or the employee representatives and/or relevant trade union(s) of the Target Businesses. As proof of compliance herewith, the Acquiring Firm shall, within 10 (ten) Days of circulating the non-confidential version of the Conditions, submit to the Commission an affidavit deposed to by a senior official of the Acquiring Firm, attesting to such compliance.
- 5.3 The Merged Entity will, by no later than 3 (three) months after the Implementation Date, update the value of the Target Businesses procurement value for apparel from South African SME and Substantially Empowered manufacturers for the period 1 July 2025 to 30 June 2026.
- 5.4 Within 30 (thirty) Days of each anniversary of the Implementation Date, for a period of 3 (three) years, the Merger Parties shall submit a detailed written report to the Commission confirming compliance with the Conditions. Such report shall be accompanied by an affidavit deposed to by a senior official of the Acquiring Firm or Target Businesses attesting to the contents of the report.
- 5.5 The Commission may at any time request any other documentation or information it deems necessary to monitor compliance with the Conditions.
- 5.6 Any employee of the Merging Parties who believes that the Merging Parties have not complied with or have acted in breach of the Conditions may approach the Commission.

6. 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 Merger Parties of these Conditions, the breach shall be dealt with in terms of Rule 39 of the Commission Rules read together with Rule 37 of the Tribunal Rules.

7. VARIATION

The Merger Parties and/or the Commission may at any time, on good cause shown and on notice to the other, apply to the Tribunal for any of the Conditions to be waived, relaxed, modified or substituted.

8. GENERAL

All correspondence concerning these Conditions must be submitted to the following email address: mergerconditions@compcom.co.za.