competitiontribunal
SOUTH AFRICA

COMPETITION TRIBUNAL

REPUBLIC OF SOUTH AFRICA

Case No.: LM107Oct24

In the matter between:

Groupe Canal+ SAS **Primary Acquiring Firm**

And

Multichoice Group Limited **Primary Target Firm**

Panel:	M Mazwai (Presiding Member) A Wessels (Tribunal Member) A Ndoni (Tribunal Member)
Heard on:	17 - 18 July 2025
Decided on:	22 July 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).

MMazwai

Presiding Member
Ms Mondo Mazwai

22 July 2025
Date

Concurring: Mr Andreas Wessels and Ms Andiswa Ndoni

Merger Clearance Certificate

competition**tribunal**
SOUTH AFRICA

Date : 22 July 2025

To : Bowmans Gilfillan Attorneys And Herbert Smith Freehills Kramer

Case Number: LM107Oct24
Groupe Canal+ SAS And Multichoice Group Ltd

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.

You applied to the Competition Commission on **30 September 2024** 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.
- [x] 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 Mpjane

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

ANNEXURE A

GROUPE CANAL+ SAS

AND

MULTICHOICE GROUP LIMITED

CC CASE NO: 2024SEP0054

CONDITIONS

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1. **DEFINITIONS**

1.1. In this document, the expressions used below will have the appropriate meaning assigned to them and the following and related expressions will bear the following meaning:

1.1.1. "**Approval Date**" means the date on which the Proposed Transaction is approved by the Tribunal;

1.1.2. "**Canal+**" means Groupe Canal+ SAS (formerly Groupe Canal+ SA);

1.1.3. "**Canal+ University Programme**" means Canal+'s initiative offered through Canal+ Impact, which functions as an educational programme designed to provide ongoing training to professionals in the audiovisual and cinema sectors;

1.1.4. "**Commission**" means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;

1.1.5. “**Commission Rules**” means the Rules for the Conduct of Proceedings in the Commission;

1.1.6. “**Commitment Period**” means 36 months from the Implementation Date;

1.1.7. “**Competition Act**” means the Competition Act, No. 89 of 1998, as amended;

1.1.8. “**Conditions**” means the conditions in this **Annexure A**;

1.1.9. “**Content Commitment Amount**” means the amount of R [redacted] rand), being three times the amount of R [redacted] rand) per year spent by MCG on acquiring, commissioning and producing local South African general entertainment content and South African sports content in the financial year ended [redacted]

1.1.10. “**CSI Initiatives Amount**” means the amount of R [redacted] rand), being [redacted] the amount of R [redacted] rand) financed by MCG in the financial year ended [redacted] in relation to the following corporate social investment initiatives: MultiChoice Talent Factory, DStv Diski Challenge, Let's Play Playing Fields, and DStv Schools Netball Challenge;

1.1.11. “**Days**” means any day that is not a Saturday, Sunday or public holiday in South Africa;

1.1.12. "**HDP/s**” means historically disadvantaged person/s as contemplated in section 3(2) of the Competition Act;

1.1.13. “**Implementation Date**” means the date on which the Merger is implemented by the Merger Parties;

1.1.14. "**Key Supplier**" means any South African company (including its subsidiaries) who receives more than [redacted]% of LicenceCo's Total Measured Procurement Spend;

1.1.15. "**Labour Relations Act**" means the Labour Relations Act 66 of 1995, as amended;

1.1.16. "**LicenceCo**" means MultiChoice Proprietary Limited;

1.1.17. "**LicenceCo's Total Measured Procurement Spend**" means all expenses incurred by LicenceCo for the period during which such spend was measured;

1.1.18. "**MCG**" means MultiChoice Group Limited;

1.1.19. "**MCSAH**" means MultiChoice South Africa Holdings Proprietary Limited;

1.1.20. "**Merger**" or the "**Proposed Transaction**" means the transaction involving the proposed acquisition by Canal+ of up to 100% of the issued ordinary shares of MCG that are not already owned by Canal+ (excluding treasury shares) by way of a mandatory offer made in terms of the Companies Act 71 of 2008 (as amended) to holders of these remaining shares;

1.1.21. "**Merged Entity**" or "**Merger Parties**" means collectively Canal+ and MCG after the Implementation Date;

1.1.22. "**Moratorium Period**" means a period of 3 (three) years from the Implementation Date, in addition to the period between the Approval Date and Implementation Date;

1.1.23. "**Orbicom**" means Orbicom Proprietary Limited;

1.1.24. "**Phuthuma Nathi**" means Phuthuma Nathi Investments (RF) Limited;

1.1.25. "**Procurement Commitment Amount**" means the amount of R [redacted] rand), being [redacted] the amount of R [redacted] rand) spent by MCG on procurement from firms controlled by HDPs and SMMEs in South Africa in the financial year ended [redacted];

1.1.26. "**SABC**" means the South African Broadcasting Corporation SOC Limited;

1.1.27. "**SABC-LicenceCo Agreement**" means the commercial channel supply agreement concluded between the SABC and LicenceCo in terms of which the SABC News channel is broadcast as part of the DStv services, which agreement automatically terminates on [redacted];

1.1.28. "**Tribunal**" means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act; and

1.1.29. "**Tribunal Rules**" mean the Rules for the Conduct of Proceedings in the Tribunal.

2. EMPLOYMENT

2.1. The Merged Entity and LicenceCo shall not retrench any employees as a result of the Merger ("**Merger Specific Retrenchments**"), for the duration of the Moratorium Period.

2.2. For the sake of clarity, these Merger-Specific Retrenchments do not include (i) voluntary retrenchment 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; (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 or poor performance; and (vii) any decision not to renew or extend a contract of a fixed-term employee (including a fixed-term third party contract employee) or contract with a third party.

2.3. The Merger Parties and LicenceCo further undertake that there will be no adverse effects on the terms and conditions of employment of their employees in South Africa as a consequence of the Merger.

3. **PROMOTION OF OWNERSHIP BY HDPS AND WORKERS**

3.1. The Merger Parties undertake to give effect to the carve out of LicenceCo (as detailed in clause 3.2 below) prior to implementing the Proposed Transaction.

3.2. The Merger Parties commit to entering into arrangements that will result in the majority of LicenceCo's shareholding, economic and voting interests being held to the benefit of HDPs and workers. More specifically, the Merger Parties undertake, in their sole discretion, to enter into such arrangements, such that upon the Implementation Date:

3.2.1. *Enhance Phuthuma Nathi's interests in LicenceCo*: Phuthuma Nathi's indirect shareholding in LicenceCo is presently 25% (via its direct shareholding in MCSAH). Phuthuma Nathi will become a direct shareholder in LicenceCo, with an increased shareholding interest of [redacted]%, voting rights of [redacted]% and an economic interest of 27%.

3.2.2. *Introduce new HDP shareholders*: The new HDP shareholders will be direct shareholders in LicenceCo, with a shareholding interest of [redacted]%, voting rights of [redacted]% and an economic interest of [redacted]%.

3.2.3. *Introduce an employee-focused broad-based ownership trust:* The workers' trust will be a direct shareholder in LicenceCo, with a shareholding interest of [redacted]%, voting rights of [redacted]% and an economic interest of [redacted]%. Beneficiaries of the workers' trust will include employees of LicenceCo as well as employees of LicenceCo's Key Supplier. The workers' trust will be implemented in line with the design principles set out in **Annexure B**.

3.3. In addition, the Merger Parties undertake to enter into arrangements, in their sole discretion, that will increase the effective HDP shareholding in Orbicom to [redacted]%.

3.4. LicenceCo's shareholders' agreement and memorandum of incorporation shall not depart from the governance principles document (attached as **Annexure C**) where to do so would be to confer control on any shareholder. Any such change of control shall be notified to the Commission.

3.5. In addition, LicenceCo's shareholders' agreement shall include a provision acknowledging that the Conditions are binding upon LicenceCo and LicenceCo's shareholders (and their successors in title), will abide by the Conditions.

3.6. Notwithstanding the foregoing, and for the avoidance of doubt, the Merged Entity will not exercise any instance/s of control contemplated in section 12 of the Competition Act over LicenceCo, pursuant to the implementation of the arrangements contemplated in clause 3.2 above.

4. **MCG AND LICENCECO HEADQUARTERS**

4.1. Canal+ shall ensure that MCG will remain incorporated and headquartered in South Africa.

4.2. LicenceCo shall remain incorporated and headquartered in South Africa.

5. **LISTING ON THE JSE LIMITED**

5.1. Subject to obtaining all regulatory approvals (if any), Canal+ will undertake a secondary inward listing on the securities exchange operated by the JSE Limited within 9 (nine) months (using the fact track listing procedure) of the later of the Implementation Date and the date on which MCG ceases to be listed on the securities exchange operated by the JSE Limited.

6. SUPPLIER DEVELOPMENT

6.1. In order to support the participation of firms controlled by HDPs and SMMEs in the broadcasting sector in South Africa –

6.1.1. Expenditure on local content: the Merged Entity and LicenceCo will collectively spend an amount on acquiring, commissioning and producing local South African general entertainment content and South African sports content equivalent to the Content Commitment Amount, from amongst others, HDPs. The Content Commitment Amount will be spent over the Commitment Period.

6.1.2. Procurement from SMMEs and HDPs: the Merged Entity and LicenceCo will collectively procure goods and services from firms controlled by HDPs and SMMEs in South Africa, in line with ordinary business practices and on no less favourable terms and conditions as applicable on the Implementation Date (provided that those arrangements are on reasonable, commercially justifiable and non-discriminatory terms and conditions, particularly as regards appropriate quality standards, reasonably competitive commercial terms and cost), in an amount equivalent to the Procurement Commitment Amount. The Procurement Commitment Amount will be spent over the Commitment Period.

6.1.3. For the avoidance of doubt, the commitments under clauses 6.1.1 and 6.1.2 are mutually exclusive.

7. CORPORATE SOCIAL INVESTMENT INITIATIVES

7.1. The Merged Entity and LicenceCo shall finance CSI initiatives in the CSI Initiatives Amount over the Commitment Period.

8. **EXPORT PROMOTION**

8.1. The Merged Entity will identify opportunities to increase the availability of locally produced South African general entertainment content in territories where MCG's retail audio-visual services were not available in its financial year immediately preceding the Approval Date.

9. **CANAL+ UNIVERSITY PROGRAMME**

9.1. Canal+ will roll out appropriate aspects of the Canal+ University Programme in South Africa. The Merger Parties shall, by no later than the first year from the Implementation Date, identify appropriate training programmes suitable to be rolled out in South Africa and shall implement the roll out of these programmes as soon as practicable possible but by no later than the second year following the Implementation Date. The Merger Parties shall confirm to the Commission on an annual basis the number of training hours that have been offered in South Africa and the number of HDPs who have attended these courses.

10. **EXTENSION OF THE SABC – LICENCECO AGREEMENT**

10.1. LicenceCo will agree to conclude a new agreement with the SABC in respect of the SABC News channel for an additional 5 (five) years from the date of expiry of the current SABC LicenceCo Agreement, on terms and conditions that are no less favourable than the current SABC-LicenceCo Agreement.

10.2. LicenceCo must ensure the diversity of the news content that it broadcasts. LicenceCo will, for at least [redacted] years after the Implementation Date, include at least [redacted] South African news channels (including the SABC News channel) on appropriate bouquet(s) offered by LicenceCo under the DStv brand.

11. INTERNATIONAL SPORTING EVENTS IN WHICH SOUTH AFRICAN NATIONAL TEAMS OR INDIVIDUALS REPRESENTING SOUTH AFRICA TAKE PART

11.1. If the Merged Entity acquires rights to an international sporting event in which South African national teams take part or individuals are selected by South Africa to represent it, it shall make available the rights to the South African matches/events to free-to-air national broadcasters on reasonable commercial terms.

12. MONITORING

12.1. The Merger Parties will circulate a non-confidential version of the Conditions to all employees of the Merger Parties, employees' representatives, and registered trade unions representing a substantial number of the Merger Parties' employees in South Africa, as the case may be, within 10 (ten) Days of the Approval Date.

12.2. Within 5 (five) Days of circulating the Conditions as required in terms of clause 12.1, each of the Merger Parties will submit to the Commission an affidavit attested to by a senior official of each of the Merger Parties, attesting to the circulation of the Conditions and enclosing a copy of the notices that were circulated to the employees and the abovementioned representatives.

12.3. Within 5 (five) Days of the Implementation Date, the Merger Parties will notify the Commission in writing of the implementation of the Merger.

12.4. The Merger Parties and LicenceCo will each submit a compliance report within 20 (twenty) Days of each of the first, second and third anniversary of the Implementation Date, detailing its compliance with these Conditions. The compliance reports will be accompanied by an affidavit attested to by a senior official of the Merger Parties and LicenceCo confirming the accuracy of the compliance report.

12.5. Within 20 (twenty) Days of implementing the arrangements contemplated under clause 3, each of the Merger Parties will submit to the Commission a compliance report confirming compliance with clause 3, which will be accompanied by the executed memorandum of incorporation and shareholders' agreement for LicenceCo as well as the Governance Principles Document that was submitted to the Commission on 20 March 2025. The compliance report will also be accompanied by an affidavit attested to by a senior official of each of the Merger Parties confirming the accuracy of the compliance report and full compliance with clause 3.

12.6. Within 20 (twenty) Days of completing its secondary inward listing on the JSE Limited, Canal+ will submit to the Commission a compliance report confirming compliance with clause 5. The compliance report will be accompanied by an affidavit attested to by a senior official of Canal+ confirming the accuracy of the compliance report.

12.7. The Merger Parties and LicenceCo will each submit a compliance report within 20 (twenty) Days of the end of the Commitment Period confirming compliance with clauses 6 and 7. The compliance report will be accompanied by an affidavit attested to by a senior official of the Merger Parties and LicenceCo confirming the accuracy of the compliance report and full compliance with clauses 6 and 7.

12.8. The Merger Parties will inform the Commission within 20 (twenty) Days of the first anniversary of the Implementation Date about those aspects of the Canal+ University Programme that have been rolled out, or that are planned to be rolled out in South Africa, as contemplated in clause 9.

12.9. The Commission may for the duration of the Conditions at any time request a report on compliance with any of these conditions and/or any additional information from the Merger Parties or LicenceCo, which the Commission may, from time to time, deem necessary for purposes of monitoring the extent of compliance with these Conditions.

13. VARIATION OF CONDITIONS

13.1. The Merging Parties, LicenceCo 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.

14. APPARENT BREACH

14.1. Should the Commission receive any complaint in relation to non-compliance with the above Conditions, or otherwise determine that there has been an apparent breach by the Merger Parties and/or LicenceCo of these Conditions, the breach will be dealt with in terms of Rule 39 of the Rules for the Conduct of Proceedings in the Commission read together with Rule 37 of the Rules for the Conduct of Proceedings in the Tribunal.

15. GENERAL

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

ANNEXURE B

Design Principle	Applicable Criteria
Structure	• An employee-focussed broad-based ownership plan will be established in respect of LicenceCo (the **Workers' Trust**). • The Workers' Trust will take the form of a unitised structure whereby a trust will be established, and Qualifying Workers will receive units on an annual basis reflecting their participation entitlements.
Shareholding in LicenceCo by the Workers Trust	• By or upon the Implementation Date, the Workers' Trust will be established and will have a shareholding of [redacted]% in LicenceCo, voting rights of [redacted]% and an economic interest of [redacted]%.
Cost to Qualifying Workers	• The Workers' Trust will be financed by means of notional vendor financing (**NVF**). • Qualifying Workers will not be required to pay anything to participate in the Workers' Trust. • LicenceCo and the Merger Parties will make provision and cover the reasonable costs for the establishment of the Workers' Trust. This will be at no cost to Qualifying Workers and will not impact any dividend flows due to Qualifying Workers. • The Merger Parties will engage in consultations on the terms of the Workers' Trust with the employees of LicenceCo and the Key Supplier after the Workers' Trust has been established but prior to the beneficiaries of the Workers' Trust being identified. The Merger Parties will cover the reasonable costs of independent financial and legal experts to assist these employees in respect of the proposed consultation process. • Any disputes between the Merging Parties and any independent financial and legal experts as regards the reasonableness of fees / costs must be resolved by arbitration or any other mutually agreed dispute resolution mechanism.
Governance	<u>There will be 4 trustees that will administer the Workers' Trust:</u> • 50% of the trustees will be elected by LicenceCo's employees. • 25% of the trustees will be appointed by LicenceCo's board • 25% of the trustees will be appointed by LicenceCo's Key Supplier (as defined below) whose employees constitute Qualifying Workers (if any). <u>HDP representation:</u> • At least 50% of the trustees will be HDPs
Duration	Perpetual/evergreen.
Qualifying Workers	• Participants will be selected amongst: o permanent employees of LicenceCo (for all employees below senior management level or such level at which employees participate in other incentive programmes); and o the permanent employees of LicenceCo's Key Supplier (for all employees below senior management level or such level at which employees participate in other incentive programmes), provided such Key Supplier has agreed to participate in the scheme. • Employees of LicenceCo's Key Supplier will be entitled to participate for as long as their employer is LicenceCo's Key Supplier. • Maternity leave will have no adverse impact on qualifying criteria. • Qualifying Workers will cease to participate for bad leaver events, namely, resignations and dismissals. • Death, retirement and retrenchment will not impact on participation.
Participation Benefits	• Dividends received by the Workers' Trust from LicenceCo will vest in Qualifying Workers. • The NVF shares held by the Workers' Trust in LicenceCo provide for a trickle dividend of [redacted]% of dividends declared by LicenceCo on Non-NVF shares, with the balance of [redacted]% notionally allocated to the repayment of the NVF.

	• Once the loan has been extinguished, 100% of the declared dividends due will be distributed to the beneficiaries.