



MERGER DECISION NO 04: 2021

Notice in Terms of Section 53(4)(a)(ii) of the Competition Act 2018

THE PROPOSED ACQUISITION OF 100% ISSUED SHARE CAPITAL IN AON HOLDINGS BOTSWANA (PTY) LTD BY MIN HOLDINGS BOTSWANA (PTY) LTD

Introduction of the Merging Parties

1. Pursuant to Section 53(4)(a)(ii) of the Competition Act 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in respect of the proposed acquisition of 100% issued share capital in Aon Holdings Botswana (Pty) Ltd ("Aon Holdings") by Min Botswana Holdings (Pty) Ltd ("Min Botswana"). The transaction was notified to the Authority on 15th November 2020 and the merger assessment was completed on 14th January 2021.
2. The Acquiring Enterprise, Min Botswana, is a company incorporated in accordance with the Laws of the Republic of Botswana. Min Botswana is a special purpose vehicle (SPV) wholly owned by Minet (Mauritius) Holdings Limited (Minet Mauritius) a company incorporated in accordance with the Laws of Mauritius. Minet Mauritius is in turn wholly owned by Minet Holdings Africa Proprietary (Minet Holdings) a company incorporated in accordance with the Laws of the Republic of South Africa. Minet Holdings is controlled by Heartland Cayman Limited (Heartland). Heartland is controlled by Capitalworks PE Fund II which is the ultimate acquiring undertaking for purposes of the proposed transaction.
3. In Botswana, Capitalworks PE Fund II ultimately controls the following firms: Kwena Rocla (Pty) Ltd ("Kwena Rocla") and Rosond Botswana (Pty) Ltd ("Rosond") both of which are incorporated in accordance with the Laws of Botswana. Kwena Rocla manufactures precast concrete infrastructural products while Rosond provides underground mining development and exploration drilling, cementation works and pre-cementation of shafts as well as grout pack support systems services. Min Botswana and its promoters being: Minet Mauritius, Minet Holdings, Heartland and Capitalworks PE Fund II are hereinafter referred to as the ("Acquiring Group").
4. The Target Enterprise, Aon Holdings, the target enterprise, is incorporated in accordance with the Laws of Botswana. Aon Holdings controls three firms in Botswana namely: Aon Botswana (Pty) Ltd; Aon Retirement Solutions (Pty) Ltd and Aon Risk Management (Pty) Ltd (collectively form the Target Group).

The target group provides insurance brokerage services, commercial risk solutions, risk transfer, claims advocacy; capital management solutions; retirement solutions and risk control consultancy services in Botswana.

5. Aon Holdings is wholly owned by Aon Holdings BV ("Aon Holdings B.V"). In turn Aon Holdings B.V is ultimately controlled by Aon Plc. Aon Holdings Plc is a public company listed on the New York Stock Exchange. Amongst Aon Plc's shareholders are: Massachusetts Financial Services Corporation; The Vanguard Incorporated; BlackRock Incorporated; capital International Investors; and State Street Global Advisors Inc.

Relevant Markets

6. In terms of the relevant market, the assessment of the proposed transaction revealed that there are neither horizontal nor vertical overlaps in the activities of the Merging Parties. As such, the relevant market is defined in terms of the activities of the target enterprise. Therefore, the relevant market is the provision of insurance brokerage services, commercial risk solutions, risk transfer, claims advocacy; capital management solutions; retirement solutions and risk control consultancy services in Botswana.
7. It is therefore concluded that the market structure in the relevant market will remain unchanged post-merger. In addition, there exists a regulator in the relevant market in the form of the Non-Bank Financial Institutions Regulatory Authority which governs the conduct of the players in the relevant market.

Competitive Analysis and Public Interest

8. The Authority's assessment did not reveal any substantial lessening of competition concerns that would arise as result of the proposed transaction. Additionally, there is no acquisition of market dominance post-merger due to lack of product overlap in the transaction at hand. However, the proposed merger may have negative effect on public interest matters in Botswana.

The Determination

9. The Authority determined through the analysis of the facts of the merger, that there are no substantial competition concerns that would arise in the market for the provision of insurance brokerage services, commercial risk solutions, risk transfer, claims advocacy; capital management solutions; retirement solutions and risk control consultancy services in Botswana given the fact that:

- a. The proposed transaction is not likely to result in a substantial lessening of competition, due to the fact that there is no product overlap in the activities of the Merging Parties in Botswana;
- b. The acquiring entity will simply inherit the dominant position of the target enterprise, thus not altering the country's competitive landscape; and
- c. However, considering public interest concerns and pursuant to the provisions of section 53 of the Competition Act 2018, the Competition Authority has approved the proposed acquisition of 100% issued share capital in Aon Holdings Botswana (Pty) Ltd by Min Botswana Holdings (Pty) Ltd with the following condition:

There will be no merger specific retrenchments. For clarity, merger specific retrenchments or redundancies do not include:

- (a) voluntary retrenchment and/or voluntary separation arrangements;
- (b) voluntary early retirement packages;
- (c) unreasonable refusals to be redeployed;
- (d) resignations or retirements in the ordinary course of business;
- (e) retrenchments lawfully effected for operational requirements unrelated to the Merger; and
- (f) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the Parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 14th day of January 2021.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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