

# Pioneer Foods appoints new board members

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Following a recent hefty fine imposed by the Competition Tribunal for anticompetitive behaviour, Pioneer Foods yesterday, 29 March 2010, announced new board members in a move that analysts said was not unexpected.

Zitulele Combi was appointed as the new executive chairman following five resignations from the board, which included those of Boy Blanckenberg, the former chairman, and his deputy, Nols Louw.

## New sponsor; positive direction

A Johannesburg-based analyst who did not want to be named said the company had to take some action after its recent troubles with the Competition Commission.

In addition, the restructuring was being enforced by major shareholders, including PSG Capital, which was yesterday announced as the new sponsor to Pioneer Foods.

“The major shareholders are exerting their authority, they want to change the culture of the business,” the analyst said. “But I do think that the new board will be positive for the company and bring new direction.”

Combi is also executive chairman of Thembeke Capital, a black empowerment company. He said Pioneer Foods was entering a new phase in its history. Citing the R196m fine imposed on it last year, Combi said the new board was looking at all aspects of what had happened.

## No further details

He could not, however, give details of why the board members had resigned.

“They felt the time was right to have a new board and to take the company forward in a transparent way,” Combi said.

It was “too early” for him to respond to whether things had been done wrong at Pioneer.

Combi said although Pioneer Foods was proud of its contribution to broadening consumer choice in key market segments, he did not want to justify any anticompetitive actions.

“I apologise unequivocally on behalf of Pioneer Foods for such behaviour,” he said.

## Still in negotiations

The new board would continue to pursue negotiations with the Competition Commission to find an amicable solution to current pending matters.

“The focus now is to have a close relationship with key stakeholders including the Competition Commission,” Combi said.

Former Pioneer chairman Blanckenberg also agreed that it was time to go.

“After serving on the board for many years, I believe now is the opportune time to relinquish my position as chairman in favour of Combi,” he said.

“The new board is well positioned to lead Pioneer Foods in the next phase of Pioneer’s development and I am proud of the contribution we as outgoing members made to the company’s strong growth footing.”

## Disciplinary action

Regardless of whether the board members resigned because of wrongdoing arising from the bread price-fixing case, some of the managers directly involved — including Andries Goosen, who admitted to the tribunal that he had lied — are still facing disciplinary action.

A spokesman for the company, Johannes van Niekerk, said disciplinary procedures were under way and an announcement on the future of those involved would be made when the process was finished.

Among the board members who resigned are Albie Bester, Kosie van Niekerk and Antonie Jacobs. Blanckenberg and Louw have been appointed consultants to Pioneer until the annual general meeting in February next year to ensure a smooth transition.

*Source: Business Day*

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