

071030

pc agriculture & land affairs



**ONDERSTEPSPOORT BIOLOGICAL  
PRODUCTS LTD**

**PRESENTATION TO THE  
PORTFOLIO COMMITTEE**

**30 OCTOBER 2007**



**ONDERSTEPPOORT BIOLOGICAL PRODUCTS LTD**

**PRESENTATION TO THE PORTFOLIO COMMITTEE: 30 OCTOBER 2007**

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**PRESENTATION OUTLINE**

- > Introduction & Governance Report  
*(Ms ND Shabalala, Board Chairperson)*
- > Company Performance  
*(Ms V Penxa, C.E.O.)*
- > Human Resource Report  
*(Ms V Penxa, C.E.O.)*
- > Financial Performance for 2006/07  
*(Mr M Dada, C.F.O)*
- > Conclusion  
*(Ms ND Shabalala)*

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**THE OBP BOARD**



Back (L/R) Ms Irene Shabalala (Board Chair), Adv Dave Mitchell  
Front (L/R) Mr Mkhosi Gama, Ms Stefanie Burger (Company Secretary)

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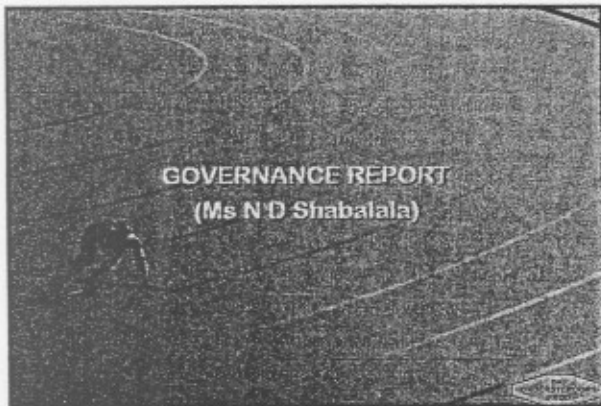
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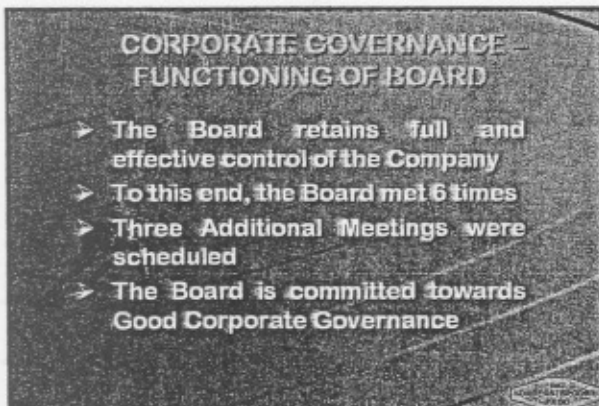
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**CORPORATE GOVERNANCE –  
FUNCTIONING OF BOARD AND COMMITTEES**

**Annual Board Plan – considering  
Reporting requirements:**

- Quarterly Board Meetings & Additional Meetings as required
- Three Meetings of Committees per annum & Additional Meetings as required
- Two Strategy Planning & Review Sessions per annum

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**FUNCTIONING OF  
BOARD COMMITTEES**

➤ **Remuneration Committee:**

- Board approved Committee Charter
- 5 Meetings to deal with 2006/07 matters
- Membership:
  - Ms ND Shabalala (Chairperson)
  - Adv D J Mitchell
  - Mr S S M Seane
  - MD / CEO, GM. HR, and GM. Finance (by invitation)

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**FUNCTIONING OF  
BOARD COMMITTEES**

➤ **Remuneration Committee Activities:**

- Remuneration of:
  - Directors
  - Executives
  - Employees
- Human Resource Matters
  - Strategies
  - Policies

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### FUNCTIONING OF BOARD COMMITTEES

- Remuneration Committee Activities:
  - Restructuring of Company
    - Establishing new structure
    - Job Profiles for new positions
    - Advertisement and filling of positions
  - Acting CEO, following resignation of MD

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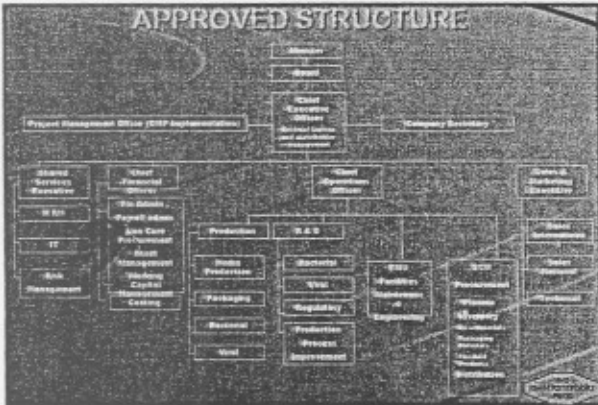
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### APPROVED STRUCTURE




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### FUNCTIONING OF BOARD COMMITTEES

- Audit Committee:
  - Board approved Committee Charter
  - 5 Meetings to deal with 2006/07 matters
  - Membership:
    - Adv D J Mitchell (Chairperson)
    - Mr S M Seane
    - Dr R U Forbes (until her resignation)
    - MD, GM: Finance, Internal Auditor, External Auditors (by invitation)

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## FUNCTIONING OF BOARD COMMITTEES

- **Audit Committee Activities:**
  - Effectiveness of Internal Controls
    - Internal Audit
    - External Audit
  - Financial Matters
    - Management Accounts
    - Investments
    - Financial Policies
    - Annual Financial Statements and Annual Report

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## FUNCTIONING OF BOARD COMMITTEES

- **Risk Management Committee:**
  - Board approved Committee Charter
  - 3 Meetings to deal with 2005/06 matters
  - Membership:
    - Dr R J Forbes (Chairperson until her resignation)
    - Ms N D Shabalala (Chairperson)
    - Adv D J Mitchell
    - Dr L C Makuleli (Managing Director)
    - Dr B Dungu (General Manager, Operations, Research and Development)
    - Mr P M Pieterse (General Manager, Total Quality)
    - GM: Finance, Internal Audit, Manager: EMU by invitation

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## FUNCTIONING OF BOARD COMMITTEES

- **Risk Management Committee Activities**
  - Annual Risk Assessment
  - Annual Risk Management Plan
  - Risk Management – Continuous monitoring and evaluation of Risk Management plan

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**FUNCTIONING OF BOARD COMMITTEES**

- **Research and Development Committee:**
  - Board approved Committee Charter
  - 3 Meetings to deal with 2006/07 matters
  - **Membership:**
    - Mr S S M Seane (Chairperson)
    - Ms N D Shabalala
    - Dr L C Makuleni (Managing Director)
    - Dr B Dungu (GM: Operations, R & D)
    - National Sales Manager and Business Development Manager by invitation

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**FUNCTIONING OF BOARD COMMITTEES**

- **Research and Development Committee**
- Activities:**
  - R&D Strategy and Policy
    - International as well as local partners
    - Joint Scientific activities with the ARC - OVI
  - Monitor and evaluate Strategic R&D Projects
  - Intellectual Property Management
    - Intellectual Property Audit
    - Intellectual Property Policy
    - Intellectual Property Management System

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**OCCUPATIONAL HEALTH AND SAFETY COMMITTEE**

- Reports Quarterly to the Board
- 7 Meetings to deal with 2006/07 matters
- **Membership:**
  - Ms S Burger (Company Secretary)
  - Mr P M Pieterse (GM: Total Quality)
  - Mr L Gcwensa (Labour Relations Manager - resigned)
  - Mr B Shandu (Manager: Engineering, Maintenance and Utilities)

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**OCCUPATIONAL HEALTH  
AND SAFETY COMMITTEE**

➤ **Committee Activities:**

- Legal Compliance
- Policy
- Strategy



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**COMPANY PERFORMANCE  
2006/07  
(Ms V Penxa)**



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**COMPANY PERFORMANCE:**

- FINANCIAL
- OPERATIONS
- RESEARCH AND DEVELOPMENT
- TOTAL QUALITY MANAGEMENT
- HUMAN RESOURCES



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*OBP is a respected leader in its niche market: the development, production and sale of animal vaccines and related biological products.*

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**MARKETING OBJECTIVES:**

- Assist in alleviating trans-boundary diseases in SA
- Vigilance to be able to respond to needs of our clients
- Empower farmers with knowledge of animal disease management
- Contribute to AgriBEE (BEE distributors)
- Maintain OBP sustainability
- Maintain financial viability of OBP

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**DOMESTIC MARKET**

**COMMERCIAL MARKET:**

- Road shows in different provinces, eg. EC, KZN, NC, WC, etc
- Advertising and promotion (print, radio, etc)
- Exhibitions, eg. Nampo, Pretoria show, MPO, RPO, etc.
- Improved distribution networks
- Farmers days (product training/marketing)
- Co-operatives/points of sale support
- Expert panels (African horsesickness and cattle and sheep veterinarians)

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### DOMESTIC MARKET CONT.

#### EMERGING MARKET:

- Training/educating farmers on animal health management (farmers days)
- Radio campaigns (Xhosa, Zulu, Tswana, Southern Sotho, 6 weeks)
- Support commodity groups (NAFU, NERPO, NWGA and others)
- Female farmer of the year
- Support establishment of BEE distributors
- Supplied fridges to rural areas



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### DOMESTIC MARKET CONT.

#### Provincial Departments of Agriculture:

- Support Provincial Strategies
- Support Provincial Animal Disease Management Programmes
- OBP/Provincial Farmers Days
- Improve Relations
- Training of State Vets/Animal Health Technicians
- Support SA State Veterinarian Association



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### INTERNATIONAL MARKETS

- Product Commercialization
- Growth of the Export Market
- Customer Relations management
- Strategic Partnerships



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