

Takeover Regulation Panel

Annual Performance Plan

2024/2025 – 2026/2027



**Takeover
Regulation
Panel**

a member of **the dtic** group

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Minister's foreword

The Annual Performance Plans (APPs) of dtic-group entities provide a basis for accountability, and alignment to ensure that the objectives of inclusive economic growth, deeper levels of industrialisation and greater state-entity efficiency are enhanced.

The Companies Amendment Bill, 2023 passed by Parliament recently, reduces the scope of the work of the Takeover Regulation Panel (TRP) in respect of the types of companies where relevant transactions will be referred to the TRP. The implications hereof on the APP targets and on financial projections will need to be considered. In addition, a more detailed discussion is required between the Department and the TRP to consider the extent to which the APP fully aligns with Government's priorities.

The Annual Performance Plan of the TRP contained herein is approved for implementation from 1 April 2024, with a revised Annual Performance Plan where appropriate to be submitted by or before 26 April 2024, following further engagement with the Department.



Mr Ebrahim Patel

Minister of Trade, Industry and Competition

Annex

Output targets within the dtic-group of public entities.

2024/25 APP Functional focus of outputs

Section: 12.1 Functional focus of outputs

Additional outputs (programmatic, enabling or responsive to immediate needs) have been included in the APP. The following tables indicate the functional focus of these outputs. Output numbering refers to the classification in the consolidated table, found in the APP. Pillar numbering refers to the section in dealing with the aims of industrial policy. Outcome numbers refer to: Industrialisation (1), Transformation (2) and Capable State (3) though it should be seen as indicative, as one Output intended to cover a single Outcome can and does have positive spillover-effects on the other Outcomes.

Number	Output	Pillar	Outcome
Output 1	R350 billion in investment pledges secured across the state	4	1
Output 23	100 Investor facilitation and unblocking interventions provided	4	1
Output 17	1 new SEZs application considered for designation	4	1,2

12.1.2 Industrial production

Number	Output	Pillar	Outcome
Output 2	R60 Billion in additional local output committed or achieved	2	1
Output 11	R 200 Billion in black industrialist output achieved	1	1,2

12.1.3 Exports

Number	Output	Pillar	Outcome
Output 3	R900 Billion in manufacturing exports	3	1
Output 4	R400 Billion in manufacturing exports to other African countries	3	1,2
Output 5	R9 Billion in exports of Global Business Services (GBS)	3	1
Output 27	20 Successful Export Interventions to support the implementation of the AfCFTA	3	1
Output 28	10 High impact trade interventions completed	3	1,3
Output 41	5 Finalisation of legal instruments under the AfCFTA (Tariff offers, Schedule of Commitments, Rules of Origin, Protocols and Annexes to protocols)	3	3

12.1.4 Industrial support

Number	Output	Pillar	Outcome
Output 6	R32 Billion in support programmes administered by or in partnership with the dtic-group	1	1,2,3
Output 7	R15 Billion support programmes to enterprises in areas outside the 5* main metros	1	1,2
Output 8	R8 Billion in financial support programmes and procurement contracts approved to SMMES, women and youth-empowered businesses	1	1
Output 9	R 8 Billion in financial support programmes to enterprises in labour absorbing sectors	1, 6	1

Number	Output	Pillar	Outcome
Output 43	1 Operationalization of an Adjudication process for incentive applications	1	1, 3

12.1.5 Transformation

Number	Output	Pillar	Outcome
Output 10	R 900 Million in Equity Equivalent Investment Programme agreements	1	1,2
Output 15	20 000 additional workers with shares in their companies	1	1
Output 16	10 High-impact outcomes on addressing market concentration through the implementation of market inquiry outcomes	1	1,2

12.1.6 Jobs

Number	Output	Pillar	Outcome
Output 12	1 Million jobs supported or covered by the dtic group and/ or master plans	6	2
Output 13	100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)	6	1,2
Output 14	160 000 jobs in Black Industrialists firms retained	1, 6	1,2

12.1.7 Energy

Number	Output	Pillar	Outcome
Output 18	R 1 Billion Support to enterprises including SMMEs to mitigate impact of load shedding by IDC and NEF	5	1,2
Output 19	1500 Megawatts of energy from projects facilitated	5	1,3
Output 20	550 Megawatts of energy available for the grid	5	1,3
Output 21	3 Projects successfully managed through the Energy One-Stop Shop	5	3
Output 22	2 Expedited regulatory amendments and flexibility, to promote energy efficiency	5	1,2,3

12.1.8 Green economy targets

Number	Output	Pillar	Outcome
Output 29	4 Interventions to respond to green trade barriers	5	1
Output 30	1 EV white paper implementation	5	1
Output 31	1 Green hydrogen commercialisation framework implementation	5	1

12.1.9 Stakeholder engagement and impacts

Number	Output	Pillar	Outcome
Output 25	9 Business Forums hosted aimed at supporting increased FDI, exports and outward investment hosted	1	1,2,3
Output 32	1000 Case studies of firms, workers, entrepreneurs, professionals or communities' impacted by the dtic measures; including 12 local films/documentaries telling the SA story	1	1
Output 33	Community outreach programmes by the dtic group in 10 districts	1	1,2,3

Number	Output	Pillar	Outcome
Output 37	2 Conferences, summits, and international forums hosted	1	1,2,3
Output 45	10 Successful actions completed on price monitoring and excessive pricing or price gouging or price restraint	1	1,2,3

12.1.10 Addressing crime

Number	Output	Pillar	Outcome
Output 24	Grey-listing: 2 Implementation of remedial actions by CIPC of the Financial Action Task Force (FATF) requirements to meet immediate outcome 5 (IO5) in South Africa's Action Plan	1	3
Output 42	1 Metal trading system implemented	1,5	1,2,3

12.1.11 Red tape and state capability targets

Number	Output	Pillar	Outcome
Output 39	9 Impact evaluations of dtic programme or sub-programmes	All	3
Output 40	5 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies		
Output 44	6 Impact assessments or enhancements of trade instruments or measures	2,3	1,2,3

12.1.12 Improving the capacity and responsiveness of the state and social partnership

Number	Output	Pillar	Outcome
Output 26	4 Pieces of priority legislation amended, tabled or submitted to Executive Authority, Cabinet or Parliament	All	1,2,3
Output 34	8 Master Plans managed	All	1,2,3
Output 35	Oversight of IDC, NEF and ECIC to ensure that at least 96% of planned KPIs are achieved	All	1,2,3
Output 36	3 Projects to assist industrial innovation and support firms	All	1,2,3
Output 38	50 Mergers and acquisitions where public interest conditions have been incorporated	All	1,2

Accounting Officer

We present to you the Annual Performance Plan (APP) for the Panel, covering the period from 2024/2025 - 2026.2027.

The birth of the Takeover Regulation Panel (formerly the Securities Regulation Panel¹) (Panel) can be traced to the birth of the modern and inclusive Republic of South Africa in the early 1990s. It opened its doors in 1991 as part of the country's efforts to modernise company law² in regulating takeovers and mergers in a manner similar to the Panel on Takeovers and Mergers in England and Wales.

For two decades, from February 1991 to April 2011, the Panel existed as a quasi-independent body with statutory powers. In May 2011, a new chapter for the Panel commenced when the Panel in its current form subsumed its activities in terms of section 196(1) of the Companies Act, No. 71 of 2008 (the Act).

The purpose of takeover regulation worldwide is to protect the interests of shareholders, promote fair and efficient markets, and prevent anti-competitive behaviour. Specifically, takeover regulations aim to do the following:

- Ensure that all shareholders are treated fairly and equally, regardless of whether they hold a majority or minority stake in the target company;
- prevent target companies from taking defensive measures that are designed to prevent or delay a takeover unless such measures are necessary to protect the interests of shareholders; and
- promote transparency and disclosure so that shareholders can make informed decisions about whether to accept or reject a takeover bid.

¹ Established in terms of section 440B of the Companies Act, 1973 (73 Act).

² See the report to the Standing Advisory Committee on Company Law, presented by Justice Margo and Professor S Naude, titled "Take-overs and Mergers: The City Panel and the Position in South Africa". The report recommended the establishment of a panel, with statutory powers, to be responsible for: regulating takeovers and mergers; drafting and applying appropriate rules. The 73 Act provided the statutory framework of the new institution. The main motivation for creating a statutory body to regulate takeovers and mergers was a concern that informal types of sanctions would lack efficacy. The recommendations of the report presented to the Standing Advisory Committee of on Company Law were effected and realised when the Companies Act, No. 78 of 1989 and the Companies Second Amendment Act of 69 of 1990 became operative. These amendments brought into effect the Panel and the Securities Regulation Code (SRP Code). At that time, the Panel was also responsible for regulating insider trading under section 440F of the 73 Act, which was revised by the Second Companies Amendment Act, effective in February 1991. Today the function of policing insider trading is undertaken by the Financial Sector Conduct Authority

The specific provisions of takeover regulations vary from country to country, but they generally have these common goals.

Some specific reasons why takeover regulation is important include:

- **Protecting minority shareholders:** Takeover regulations can help to protect minority shareholders from being taken advantage of by a majority shareholder or by a potential acquirer. For example, regulations may require that all shareholders be offered the same price for their shares, regardless of how many shares they own; and
- **Promoting fair and efficient markets:** Takeover regulations can help to promote fair and efficient markets by preventing market abuses, such as insider trading or market manipulation. They can also help to ensure that takeover bids are made in a transparent and orderly manner.

Mr Zankuthula Nduli
Deputy Executive Director

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Takeover Regulation Panel (the Panel) under the guidance of Mr Zanokuthula Nduli, Deputy Executive Director.
- Considered all the relevant policies, legislation and other mandates for which the Takeover Regulation Panel is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the Takeover Regulation Panel will endeavour to achieve over the period 2024/2025 to 2026/2027.

Ms Margaret Motsoahae
Chief Financial Officer

Mr Zanokuthula Nduli
Deputy Executive Director

PART A: OUR MANDATE

1. Updates to the Relevant Legislative and Policy Mandates

1.1. The Takeover Regulation Panel is established in terms of the Companies Act, No. 71 of 2008 (**the Act**), as a juristic person functioning as an organ of state within public administration but as an institution outside the public service. In terms of the Act, the Panel has jurisdiction throughout the Republic. It is independent and subject only to the Constitution³ and law as well as any policy statement, directive or request issued by the Minister of Trade, Industry and Competition⁴ (the Minister) in terms of the Act. Additionally, the Panel must be impartial and perform its functions without fear, favour, or prejudice, and must exercise the functions assigned to it in terms of the Act or any other law, or by the Minister, in the most cost-efficient and effective manner, in accordance with the values and principles mentioned in section 195 of the Constitution.

1.2. In terms of the Act, the Takeover Regulation Panel's mandate is to:

1.2.1. regulate affected transactions and offers to the extent provided for, and in accordance with, **Parts B and C of Chapter 5** of the Act and the Takeover Regulations⁵;

1.2.2. investigate complaints with respect to affected transactions and offers in accordance with Part D of Chapter 7 of the Act;

1.2.3. apply for a court order to wind up a company, in the manner contemplated in **Section 81(1)(f)** of the Act; and

1.2.4. consult with the Minister in respect of additions, deletions or amendments to the Takeover Regulations.

1.3. The Panel may:

1.3.1. consult with any person at the request of any interested party with a view to advising on the application of a provision of **Parts B and C of Chapter 5** of the Act, or the Takeover Regulations;

³ Constitution of the Republic South Africa, 1996.

⁴ (the dtic)

⁵ Takeover Regulations are the regulations made by the Minister in terms of sections 120 and 223 and appear in Chapter 5 of the Companies Regulations, 2011 (Regulations).

- 1.3.2. issue, amend or withdraw information on current policy in regard to proposed affected transactions contemplated in **Parts B and C of Chapter 5** of the Act, to serve as guidelines for the benefit of persons concerned in such proposed transactions;
 - 1.3.3. receive and deal with representations relating to any matter with which it may deal in terms of the Act; and
 - 1.3.4. perform any other function assigned to it by legislation.
- 1.4.** In exercising its powers and performing its functions, the Panel must not express any view or opinion on the commercial advantages or disadvantages of any transaction or proposed transaction.
- 1.5.** In terms of section 119 of the Act, the Panel must regulate any affected transaction or offer in accordance with **Parts B and C of Chapter 5** of the Act and the Takeover Regulations, but without regard to the commercial advantages or disadvantages of any transaction or proposed transaction, in order to:
- 1.5.1. ensure the integrity of the marketplace and fairness to the holders of the securities of regulated companies;
 - 1.5.2. ensure the provision of:
 - 1.5.2.1. necessary information to holders of securities of regulated companies, to the extent required to facilitate the making of fair and informed decisions;
 - 1.5.2.2. adequate time for regulated companies and holders of their securities to obtain and provide advice with respect to offers; and
 - 1.5.2.3. prevent actions by a regulated company designed to impede, frustrate, or defeat an offer, or the making of fair and informed decisions by the holders of that company's securities.

2. Updates On Institutional Policies and Strategies

The policies of the Panel have been updated to align with the Public Finance Management Act (PFMA). This was done because the Panel was listed as a Schedule 3A entity around 29 March 2023, just before the end of the 2023 financial year. However, these policies have not been adopted yet because the approval of the Panel policies falls under the scope of

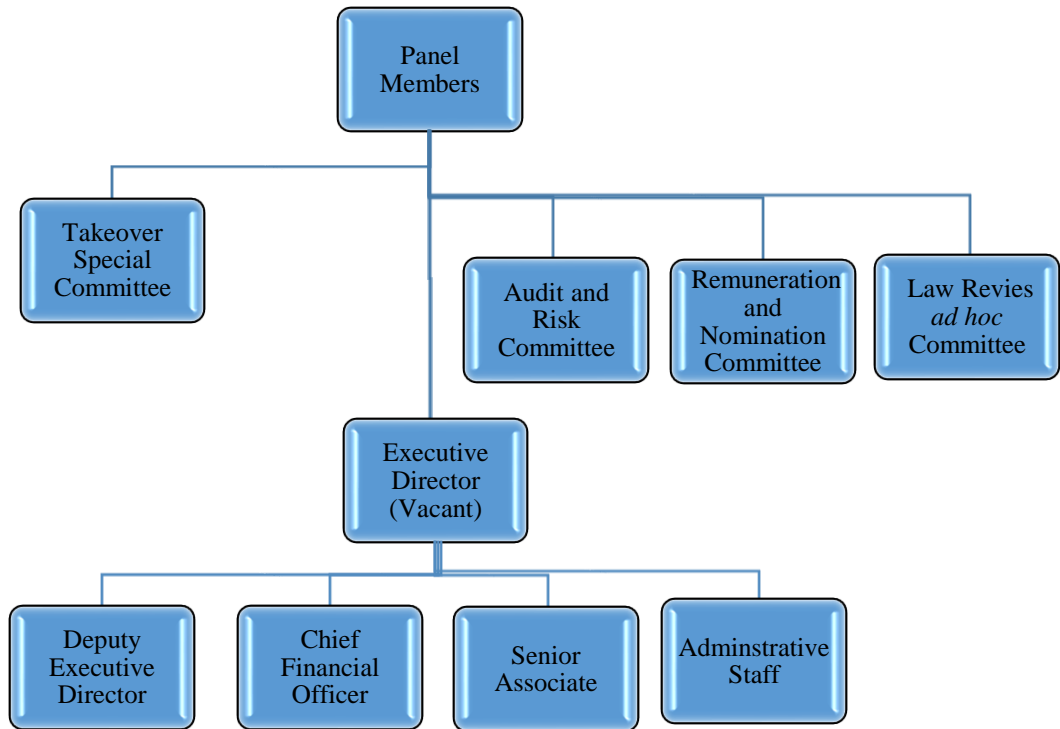
the Panel Members. Since 30 September 2023, the Panel has been waiting for the Minister to reconstitute the Panel and appoint Panel Members. As of March 2024, the Panel is still not fully constituted.

The Panel's five-year strategy has not been updated as it is under the custody of the current Panel Members, who are not fully constituted.

3. Updates on relevant court rulings

There have been no court rulings that directly affect the discharge of the Panel's mandate.

THE PANEL STRUCTURES



PART B: STRATEGIC FOCUS

1. Situational analysis

The Panel was established to ensure the protection of securities holders during takeovers and mergers. Prior to its establishment, the JSE Limited was responsible for this role, excluding schemes of arrangement regulated by the courts. The Panel, previously known as the "Securities Regulation Panel," was established under Chapter XVA of the Companies Act No. 61 of 1973. It functioned independently outside public administration but currently reports to the Minister under its new construction under the Companies Act.

The creation of the Panel followed several consultations with industry role players. It was established in response to mounting pressure concerning unfair business practices affecting shareholders during takeovers and mergers. International benchmarking demonstrated the requirement for a regulatory body like the Panel in South African financial markets. The Panel's objective is to ensure good business standards and fairness to shareholders, thus contributing to maintaining fair and orderly markets.

The Panel commenced formal operations on 1 February 1991. It was established following a report presented by Justice Cecil Margo and Professor S Naude titled Takeovers and Mergers: The City Panel and the Position in South Africa. The report recommended the introduction of a Takeover Panel similar to The Panel on Takeovers and Mergers that exists in the United Kingdom.

The report also considered various methods of achieving the transfer of control of companies and criticisms against such methods. It also noted the concerns raised against regulating takeovers and mergers in South Africa. Additionally, the report considered various options to improve the regulation of takeovers and mergers and found them unsatisfactory.

The report recommended the establishment of a panel with statutory powers to regulate takeovers and mergers and to draft and apply appropriate rules. The 1973 Act provided the statutory framework for a new institution. The main motivation for creating a statutory body to regulate takeovers and mergers was the concern that informal sanctions would lack efficacy.

The recommendations of the report presented to the Standing Advisory Committee on Company Law were implemented through the Companies Act 78 of 1989 and the Companies Second Amendment Act 69 of 1990, which brought into effect the Panel and the Securities Regulation Code (the SRP Code). At that time, the Panel was also

responsible for regulating insider trading under Section 440F of the 1973 Act, revised by the Second Companies Amendment Act, effective 1 February 1991. Currently, this function is undertaken by the Financial Sector Conduct Authority in terms of the Financial Markets Act 19 of 2012.

1.1. External Environment Analysis (Political Economic Social Technology Legal Environment (PESTLE)

POLITICAL	ECONOMIC
<ul style="list-style-type: none"> South Africa has always been considered a safe place to resolve disputes. This is because its institutions, such as courts and similar forums, are generally free from undue interference in decision-making and are impartial. This is especially true for the Panel, which is bound by section 201(3) of the Companies Act not to express any opinion on the commercial benefits or drawbacks of any transaction or proposed transaction. 	<ul style="list-style-type: none"> Instances of non-compliance often occur when concert parties hide the fact that they have acquired control of regulated companies. When this happens, it usually prompts investigations by the Panel. The Panel has recently looked into complaints involving the following companies: Tongaat Hulett Limited, African Phoenix Investments Limited, enX Group Limited, Zarclear Holdings Limited, Extract Group Limited, Mpact Limited, and Royal Bafokeng Limited.
<ul style="list-style-type: none"> There is a risk that if the Panel's independence and technical competence are ever questioned, it could harm the country's ability to attract foreign direct investment, which is a major priority for the current administration. 	<ul style="list-style-type: none"> The JSE Limited, which is the biggest stock exchange in the country, has recently witnessed a number of companies leaving its platform. This development has raised concerns among the Panel, as these companies are a significant source of revenue for it. The companies listed on the exchange pay annual surcharge fees to the Panel, which are linked to listing fees paid to the JSE Limited. A reduction in this revenue could pose a risk to the Panel's long-term sustainability.
<ul style="list-style-type: none"> The political situation in South Africa is currently stable, although there are certain challenges that may affect the Panel. The upcoming national elections in 2024 may bring about changes in regulations due to the possibility of a new government, which could lead to the formation of governing coalitions. As a result, it is possible that these changes may have an impact on the Panel in the following ways: 	<ul style="list-style-type: none"> The Panel's revenue sources, particularly the fees levied on listed companies, help fund its market surveillance and market regulation activities, which are not charged for like investigations. Reductions to revenues will threaten the Panel's ability to effectively discharge the free components of its mandate. We have noticed with other regulatory bodies how budgetary constraints affect service delivery against their mandates.

<ul style="list-style-type: none"> • Potential negative impacts 	<ul style="list-style-type: none"> • The South African economy is currently experiencing a recession and the government has warned of a fiscal cliff that could negatively affect all regulatory agencies, especially those funded through Parliamentary appropriations. These threats pose a risk to the economic situation of the Panel and therefore, could hinder its ability to continue fulfilling its mandate.
<ul style="list-style-type: none"> • Coalition governments usually require negotiation and compromise on policy decisions. As a result, there can be an increase in bureaucracy and delays. This can be particularly challenging for regulatory agencies such as the Panel, which require the ability to make timely decisions to effectively regulate industries. 	<ul style="list-style-type: none"> • A potential economic downturn may have a negative impact on the equity capital markets in South Africa, leading to a reduction in the value of securities listed on various exchanges. This, in turn, could result in a decrease in the portion of the Panel's annual revenue derived from surcharge fees. It is worth noting that a significant part of the Panel's revenue is obtained from levying surcharge fees on listed companies, including listing fees paid to local exchanges.
<ul style="list-style-type: none"> • Coalition governments are often less stable and predictable compared to single-party governments, which can make it challenging for regulatory agencies to plan and implement long-term policies. 	<ul style="list-style-type: none"> • If US inflationary pressure continues, it is likely that the government may increase interest rates. This helps the Panel because of its positive balance sheet to offset some of the broader negative impacts associated with a high interests rates environment by raising the share of the Panel's revenue that comes from investment income, which is possible due to the size of the Panel's current strategic reserves. Essentially, being a self-funding entity, the Panel can rely on the savings accumulated during the good years to mitigate the effects of the upcoming challenging economic period.
<ul style="list-style-type: none"> • Coalition governments may hesitate to make tough decisions that could divide coalition partners, preventing regulatory action on important matters. 	<ul style="list-style-type: none"> • If the Panel's revenues decrease, it may have a negative effect on its ability to fulfil its mandate, depending on the extent of the decline. In case of a substantial downturn, the Panel may have to depend on its strategic reserves to mitigate the impact, particularly since the government's fiscal resources are currently limited.
<ul style="list-style-type: none"> • Coalition governments are often more vulnerable to political interference from the various parties that form the coalition. 	

<p>This interference could create challenges for regulatory agencies to function independently and make decisions in the best interest of the public.</p>	
<ul style="list-style-type: none"> • Potential measures to mitigate negative impacts that the Panel will use: • The Panel has established clear rules and procedures for decision-making, which are purely statutory and subject to the provisions of the Constitution. Therefore, any decision made outside the statutory framework could be challenged for non-compliance with its mandate in the courts. This approach guarantees that the Panel can make timely and efficient decisions, even in situations where there is disagreement within the government. • The Panel prioritizes transparency and accountability as a crucial aspect of its culture. The primary stakeholders have a comprehensive understanding of how the Panel carries out its mandate. This understanding should help build trust between the Panel and a coalition government, should such a scenario arise. Additionally, it will hopefully discourage any political interference from taking place. 	
<ul style="list-style-type: none"> • Regulatory agencies should be independent and free to make decisions based on public interest, even if unpopular with coalition government. 	
<p>SOCIAL</p>	<p>TECHNOLOGICAL</p>
<ul style="list-style-type: none"> • South African society is a diverse and multicultural one. The capital markets are mainly dominated by institutional investors who invest on behalf of various segments of this diverse society. Hence, the Panel should be aware of these factors while carrying out its mandate which includes ensuring the integrity of the marketplace. Moreover, the Panel may need to be sensitive to the impact of its regulation of takeovers on the perception of South Africa as a desirable investment destination for foreign investors. A significant portion of South Africa's capital markets comprises foreign investors, who are used to 	<ul style="list-style-type: none"> • South Africa's developed technology sector presents opportunities for the Panel to leverage.

<p>certain norms relating to how the Panel's global peers regulate takeovers⁶.</p>	
<ul style="list-style-type: none"> The Panel must take into account that the population of South Africa has varying levels of understanding when it comes to how equity capital markets operate. Shareholder activism is not a common practice, and even those shareholders who invest as retail investors are generally passive when it comes to considering various corporate actions related to the Panel's mandate. Therefore, the Panel will be cautious not to assume a level of sophistication on the part of affected shareholders when carrying out its regulatory mandate. For instance, the Panel will require consultation (or sufficient evidence that relevant boards or offerors have consulted) with employees and other minorities to obtain their input on the impact of a proposed takeover. 	<ul style="list-style-type: none"> In response to the COVID-19 pandemic and the increase in cyber security attacks against regulatory bodies and other large organizations, the Panel was able to move its operations to the cloud in the last three years. This change has helped the Panel mitigate business continuity risks. As a result, the Panel was able to continue its work, even during the peak of the COVID-19 pandemic when it was not designated as an essential service. This was the busiest period for the Panel due to the number of takeovers proposed during that time. Thanks to technology, the Panel was able to work remotely while its staff members had to shelter in place, and still deliver its services without any interruptions.
<ul style="list-style-type: none"> The TRP has proposed amendments designed to capture a larger proportion of economically significant companies, whether or not they are listed or public companies, in order to extend the protective net to the shareholders of most such entities. 	<ul style="list-style-type: none"> The Panel aims to leverage technology in order to gather and analyse data, which will help it make better decisions regarding takeovers. This includes using technology tools like electronic libraries for research purposes, to aid in regulatory work and investigations. The Panel also uses cloud services as part of its document management system, which automates some of its processes such as the processing of rulings and promotes collaboration among staff members. This efficiency, facilitated by technology tools, allows the Panel to focus on more complex tasks while quickly resolving matters before the Panel.
<ul style="list-style-type: none"> Limited public awareness of the Panel: The Panel has a highly specialized nature which makes it a relatively unknown entity. Even among the business press, there is a lack of understanding regarding the Panel's true purpose. Although announcements related to the Panel's work are regularly 	<ul style="list-style-type: none"> The Panel utilizes technology to gather and analyse takeover data. This data is used to identify trends and patterns which inform decision-making and planning. As the public has limited access to technology tools, the Panel's primary communication methods - email and

⁶ See Section 7(b)(ii), (c), (d), (e), (g) and (l) of the Act, regarding the purposes of the Act which informs the manner in which the Panel approaches its regulatory mandate.

<p>published on the JSE's SENS news service, only a handful of journalists regularly cover its activities.</p> <ul style="list-style-type: none"> • There is a common misunderstanding about the powers of the Panel and how it can intervene in the completion of a transaction. The Panel can only delay the closing of a transaction if there is non-compliance with regulations, without taking into account the commercial advantages or disadvantages of the transaction. This means that even if a transaction is designed to undercut minorities, as long as the offer and its mechanics are fully disclosed as required by the Companies Act and the Takeover Regulations, the transaction will be allowed to close and the Panel will issue its compliance certificate. 	<p>telephone - make it accessible to most members of the public.</p>
	<ul style="list-style-type: none"> • Due to the limited public-facing activities of the Panel, basic communication tools such as email correspondence and telephone calls are used.
	<ul style="list-style-type: none"> • Only a select group of savvy activist investors bring complaints to the Panel, yet the Panel initiates its own investigations upon discovering non-compliance.
<p>LEGAL</p>	<p>ENVIRONMENTAL</p>
<ul style="list-style-type: none"> • The Panel is fortunate that the South African legal system is sophisticated and based on the English system, which is used in most of the world's largest capital markets. 	<ul style="list-style-type: none"> • A significant number of the main stakeholders of the Panel are located within close proximity of the Panel's offices in Johannesburg which is the economic hub of the country. The remaining stakeholders are spread throughout the country, but they can easily reach out to the Panel through electronic communication. There is no requirement to expand the Panel's presence by setting up offices throughout the country due to the aforementioned reasons regarding the regular engagement of people with it concerning the fulfilment of its duties.
<ul style="list-style-type: none"> • South African courts are known for their fair and consistent handling of disputes. This reputation helps the Panel, an independent regulatory body, in its work. If any of the parties involved are not satisfied with the Panel's decisions, they have the option to refer the matter to the courts for a relatively speedy resolution. This gives investors confidence that the Panel will not make arbitrary decisions without considering the legal consequences. 	<ul style="list-style-type: none"> • The Panel, because of a lack of peers across the continent, regularly participates in the activities of the Asia Pacific Takeover Regulators Forum, the largest such grouping across the world. It also participates in global conferences under the auspices of IOSCO. IOSCO is the International Organization of Securities Commissions. The Panel's management will attend the IOSCO.
<ul style="list-style-type: none"> • This predictability and transparency in South Africa's legal environment makes 	<ul style="list-style-type: none"> • Furthermore, the Panel will continue to engage in annual bilateral visits with its global counterparts to ensure that it

the country an attractive investment destination.	remains up-to-date with takeover regulation across the world, and that South Africa remains an attractive investment destination.
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POLITICAL	POSSIBLE SOLUTIONS
<ul style="list-style-type: none"> Ensuring the maintenance of political neutrality and impartiality in decision-making. 	<ul style="list-style-type: none"> Training and open discussions
	<ul style="list-style-type: none"> Compliance with institutional values
	<ul style="list-style-type: none"> Public engagements
<ul style="list-style-type: none"> Change of administration. 	<ul style="list-style-type: none"> When changes are needed, we discuss with the dtic for a smooth transition at both executive and accounting authority levels.
	<ul style="list-style-type: none"> Promoting the maintenance of institutional memory (avoiding wholesale changes, where possible).
ECONOMIC	POSSIBLE SOLUTIONS
Non-compliance with takeover provisions.	It is important to enforce takeover provisions visibly to deter any similar conduct but at the same time allow flexibility in its enforcement to encourage voluntary compliance.
Delistings from local exchanges and threats to the Panel's revenue model, without the need to strain the government's limited resources to fund the Panel.	Engage with various stakeholders to determine the causes for delistings and how these challenges may be overcome
SOCIAL	POSSIBLE SOLUTIONS
<ul style="list-style-type: none"> Limited access to the Panel (by the public). 	<ul style="list-style-type: none"> It is important to hold hearings in locations that are convenient for all the parties involved. With the advancements in digital technology, virtual meetings can be leveraged to make the process more accessible and efficient.
<ul style="list-style-type: none"> Low literacy rate. 	<ul style="list-style-type: none"> Helpline and help desk.
<ul style="list-style-type: none"> Limited public awareness of the Panel. 	<ul style="list-style-type: none"> Use the digital tools provided by the Panel to share information about the latest developments. Additionally, make an effort to be reachable by the media by publishing updates on significant decisions made by the Panel and ongoing

	investigations, to the extent that it is reasonable to do so.
<ul style="list-style-type: none"> • Misconception about the Panel's jurisdiction 	<ul style="list-style-type: none"> • Continued education and stakeholder management.
TECHNOLOGY	POSSIBLE SOLUTIONS
Limited access to technology by the public.	Use of various digital and other tools to access the Panel's services.
LEGAL	POSSIBLE SOLUTIONS
Limited jurisdiction to meet public expectations.	It is important to collaborate with other regulators who are responsible for regulating transactions overseen by the Panel. This will help to avoid any gaps, redundancies or conflicts in the regulatory process. Additionally, it is important to engage with other stakeholders to ensure that the local capital markets environment remains competitive and attractive on a global scale.
ENVIRONMENTAL	POSSIBLE SOLUTIONS
Geographical location.	Publicity initiatives in various areas.
	Hearings held where convenient to parties.

1.2. Internal Environment Analysis (Strengths, Weaknesses, Opportunities and Threats (SWOT))

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Strong institutional values and ethic 	<ul style="list-style-type: none"> There are some misunderstandings within the government regarding the role of the Panel in the broader economy. Recently, the Panel was categorized as a Schedule 3A public entity. However, there is a need for a lot of transitional work to prevent the Panel's transition to a fully-fledged public entity from interfering with its primary purpose of existence.
<ul style="list-style-type: none"> The founding legislation confirms the independence of the Panel and empowers it to regulate the market effectively, with the objective of maintaining the integrity of capital markets in South Africa. 	
<ul style="list-style-type: none"> Skills, knowledge and expertise of staff and the Panel members 	
<ul style="list-style-type: none"> Systems, procedures and policies in place 	<ul style="list-style-type: none"> The above transition may result in technical non-compliances due to lack of necessary transitional arrangements, which is unrelated to the Panel's mandate compliance under PFMA.
	<ul style="list-style-type: none"> The Panel's sudden listing without proper onboarding could create a false impression of mismanagement.
<ul style="list-style-type: none"> Independence and impartiality 	
<ul style="list-style-type: none"> Good corporate governance 	
<ul style="list-style-type: none"> Good financial management 	
<ul style="list-style-type: none"> The IT infrastructure we have in place allows us to securely engage with our stakeholders. The Panel's funding model could serve as a funding template for other dtic regulators. 	
<ul style="list-style-type: none"> A reputation for competence, efficiency and effectiveness by our primary stakeholders (the takeovers industry). 	
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Increasing efficiency through technology usage of the online document management system and video 	<ul style="list-style-type: none"> In the event that the transition to PFMA environment is not managed appropriately, the Panel runs the risk of losing key personnel

conferencing for meetings, hearings or consultations)	with the Executive Authorities and other government stakeholders.
<ul style="list-style-type: none"> Benchmarking on best practice models from similar entities. 	<ul style="list-style-type: none"> Decline in listed companies, which would affect the revenue model of the Panel.
<ul style="list-style-type: none"> Contribution to research, jurisprudence and the development of company law 	<ul style="list-style-type: none"> If the Panel's reputation were to be negatively affected, more companies may choose to exit the South African market and encumber the Panel's ability to discharge its mandate, particularly the free services.
<ul style="list-style-type: none"> Technology – systems and processes to improve efficiencies both internally and externally. 	<ul style="list-style-type: none"> The constrained nature of the South African state's financial resources may result in the government looking to the Panel's strategic reserve, which in turn would then threaten the sustainability of the Panel, which currently does not receive any appropriations from the national government.

WEAKNESSES	POSSIBLE SOLUTIONS
<ul style="list-style-type: none"> The Panel is not well understood within the government, having recently been listed as a Schedule 3A public entity. There is a lot of transitional work that is required, which will be crucial in efforts to avoid the transition to a fully-fledged public entity disrupting the primary purpose for the existence of the Panel. 	<ul style="list-style-type: none"> Engage with the Executive authority regarding securing dispensations to allow for a smooth transition into the new compliance regime for the Panel.
<ul style="list-style-type: none"> The transition above will likely lead to technical non-compliances, which have nothing to do with the discharge of the Panel's mandate <i>per se</i> but rather as a result of the Panel being listed without the necessary onboarding. 	<ul style="list-style-type: none"> Engagements with the executive authority, National Treasury, and AGSA on transitional arrangements for PFMA compliance.
<ul style="list-style-type: none"> The rate at which the Panel (as a newly listed public entity) adapts to the changes brought on by the PFMA listing may create the impression that it is badly run, whereas this is temporarily caused by the number of structures, it will now have to have in place to position itself for full compliance. 	<ul style="list-style-type: none"> Engage governmental stakeholders
THREATS	POSSIBLE SOLUTIONS
<ul style="list-style-type: none"> High turnover of Panel members resulting in leadership without institutional memory 	<ul style="list-style-type: none"> Retention strategy driven with the assistance of the executive authority because the Minister can appoint members in terms of section 197(1)(d) of the Companies Act. Request that when the Minister appoints new members, a portion of those members be people with prior experience as Panel members to

	ensure continuity and institutional memory.
<ul style="list-style-type: none"> • Currently the Panel does not have sufficient lawyers to chair the TSC. 	<ul style="list-style-type: none"> • Engage the Minister to appoint sufficient lawyers to the Panel.
<ul style="list-style-type: none"> • A decline in the number of listings, resulting in a potential reduction in operational revenues, which impacts on the Panel's ability to discharge non-fee elements of its mandate such as investigations, which are costly and time-consuming affairs. 	

PART C: MEASURING OUR PERFORMANCE

1. Institutional Programme Performance Information

1.1. Regulation of affected transactions (fundamental transactions, mandatory offers, general offers, partial offers).

1.1.1. Purpose

The purpose of the programme is to review and approve documents filed with the Takeover Regulation Panel (Panel) for approval in terms of the takeover provisions in the Act and the Regulations.

The Panel would be contributing to the overarching outcomes of the dtic (Transformation and Capable State) focusing primarily on promoting transformation and a capable state in the discharge of its mandate.

The Panel will link to the above indicator through the achievement of the outcome "Functional, efficient and integrated services within the Panel to improve economic development and ease of doing business".

The Panel launched and implemented its electronic Document Management System to assist with the internal management of the Panel's caseload to facilitate the efficient processing of matters brought before the Panel within the scope of its mandate. This has ensured that the Panel continues delivering services in a world-class fashion, whilst also allowing its staff members to collaborate on matters easily thereby ensuring speed and consistency in decision-making across the board. This contributes to economic development and ease of doing business within South African capital markets. Panel staff can work around the clock using these tools, including at times on weekends and public holidays, to ensure that affected transactions are closed out as fast as possible.

1.2. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Annual Targets							
			Audited actual/performance			Estimated performance	MTEF Period			
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
1. A capable state to ensure improved impact of public policy	Decisions and rulings issued within 5 working days	Percentage of decisions and rulings issued ⁷ within 5 working days.	100%	100%	100%	100%	100%	100%	100%	
	Transactions approved within 20 business days	Percentage of approval of transactions within 20 business days	100%	100%	100%	100%	100%	100%	100%	
2. A capable state to ensure	a. Consider and revert to the	Percentage of matters resolved within	100%	100%	100%	100%	100%	100%	100%	

⁷ Rulings issued are as prescribed by Regulation 81(y) of the Regulations. Issued means written communication to the client or their representative on letterhead or email. The turnaround process involves (i) acknowledging receipt of the relevant process (application or document) on the date of receipt by e-mail and allocating to one of the staff members of the Panel, (ii) considering the process and (if it an announcement, vetting and providing comments, if any, and approving it by email) OR (if it is one of the formal documents (i.e. Firm Intention Announcement (FIA) or Circular, vetting and providing comments, if any. For FIAs, ensuring that a satisfactory cash confirmation in terms of Regulation 111(4) and (5) has been delivered. For Circulars, invoicing the transaction and receiving payment before approving (on letterhead) the publication thereof. Each review is finalized within 5 days of receipt) OR (for applications, considering these and providing comments, if any. Thereafter, invoicing is dependent on the type of application made. The final ruling will be delivered once the invoice is settled.

Outcome	Outputs	Output indicators	Annual Targets						
			Audited actual/performance			Estimated performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
improved impact of public policy	<p>complainants in terms of section 169(1)(a) regarding whether the Panel will take on the investigation</p> <p>b. The Executive Director considers whether an external investigator or an inspector from the Panel will be appointed to undertake the investigation and appoints the relevant person to undertake the investigation</p>	<p>turnaround times from receipt of various processes to finalisation of 30 business days.</p> <p>Turnaround times between decision in terms of section 169(1)(a) whether to investigate the complaint or not and appointment of the external investigator or inspector from the employ of the Panel within 3 business days after the decision to proceed with the investigation.</p>							

1.3. Output Indicators Annual and Quarterly Targets

Output indicator	2024/25	Quarterly milestones			
	Annual target	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Percentage of decisions and rulings issued ⁸ within 5 working days of the submission.	100%	100%	100%	100%	100%
Percentage of transactions resolved within turnaround times from receipt of various processes to finalisation of 20 business days	100%	100%	100%	100%	100%
Percentage of matters where the person undertaking the investigation, depending on the complexity of the subject matter of the investigation, issues their report in terms of section 170 within (i) 1 month for simple investigations, and (ii) 4 months for complex investigations, subject to the discretion of the Executive Director whether the investigation period ought to be extended or not.	100%	100%	100%	100%	100%

⁸ Rulings issued are as prescribed by Regulation 81(y) of the Regulations. Issued means written communication to the client or their representative on letterhead or email. The turnaround process involves (i) acknowledging receipt of the relevant process (application or document) on the date of receipt by e-mail and allocating to one of the staff members of the Panel, (ii) considering the process and (if it an announcement, vetting and providing comments, if any, and approving it by email) OR (if it is one of the formal documents (i.e. Firm Intention Announcement (FIA) or Circular, vetting and providing comments, if any. For FIAs, ensuring that a satisfactory cash confirmation in terms of Regulation 111(4) and (5) has been delivered. For Circulars, invoicing the transaction and receiving payment before approving (on letterhead) the publication thereof. Each review is finalised within 5days of receipt) OR (for applications, considering these and providing comments, if any. Thereafter, invoicing is dependent on the type of application made. The final ruling will be delivered once the invoice is settled.

1.4. Explanation of Planned Performance over the Medium-Term Period

Regulation of Affected Transactions:

- a. The Panel contributes to ensuring a capable state and to improving the impact of public policy through the efficient and effective regulation of affected transactions. The Panel is committed to maintaining its stellar reputation and exceptional response time by issuing approved announcements, circulars, and rulings on time. Furthermore, the Panel safeguards market integrity by regulating based on the Takeover Provisions. As part of its internship program, the Panel provides opportunities for black youth, and when recruiting, always seeks out qualified and competent black individuals, with a particular focus on women.
- b. The Panel is dedicated to ensuring that the transactions it regulates are handled efficiently and effectively. We employ a range of strategies to achieve this objective, including setting clear performance targets for individual employees. These targets are used to assess employees during remuneration reviews, which may include bonuses. We integrate these performance metrics into employment contracts and workplace policies, and non-performing employees may face disciplinary action if they consistently fail to meet them. As a small workforce, measuring individual performance is simpler, and we are able to avoid role duplication. This helps ensure that employees cannot easily avoid responsibility for failures. Lastly, we regularly report on our activities through both internal governance structures and external reporting structures set up by the PFMA.

1.5. Administration

1.5.1. Purpose of Program

The purpose of the programme is to ensure operational efficiency and effectiveness as well as effective stakeholder engagement.

The Programme further aims to efficiently support and manage the operations by ensuring that there is proper Financial Management, Human Resource Management, Information Technology, Knowledge Management, Stakeholder Management and Legal Services.

The Panel will be contributing to the dtic's outcome number 2, which outcome is 'Promoting a growing and inclusive economy'.

The Panels will link to the above indicator through the achievement of the output 'Procurement to promote transformation and empowerment of designated groups'.

The Panel included the target of ensuring that 60% of procurement are awarded to service providers with Level 4 and above B-BBEE accreditation thus contributing to promotion of a growing and inclusive economy.

1.6. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Audited Actual performance			Estimated performance	Medium term targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2020/21
Transformation to build an inclusive economy.	1.1 Staff retention	Percentage of staff retained	100%	100%	100%	100%	85%	85%	85%
Transformation to build an inclusive economy.	1.2 Staff Capacity	Vacancy rate	-	-	-	-	15%	15%	15%
Transformation to build an inclusive economy.	1.3 Stakeholder engagements	Number of seminars/lectures/	-	-	-	4	Conduct a guest lecture on takeover law to Master's students at University of the Johannesburg	Conduct a guest lecture on takeover law to Master's students at the University of Johannesburg	Conduct a guest lecture on takeover law to Master's students at the University of Johannesburg
Transformation to	1.4	International engagements	-	-	-	3	Participate in the Asia-Pacific Takeovers	Participate in the Asia-Pacific Takeovers	Participate in the Asia-Pacific Takeovers

Outcome	Outputs	Output indicators	Audited Actual performance			Estimated performance	Medium term targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2020/21
build an inclusive economy.	Peer regulators	with peer regulators held					Regulators' Forum	Regulators' Forum	Regulators' Forum
Transformation to build an inclusive economy.							Visits the Security Industrial Council (SIC) which is the takeovers regulator in Singapore on a bilateral basis to share learnings of regulation of takeovers in our respective jurisdictions	Visits the Securities and Exchange Commission (SEC) the primary regulator of the USA securities markets on a bilateral basis to share learnings of regulation of takeovers in our respective jurisdictions	Visits the Australian Security Industrial Commission (ASIC) and the takeover panel, the 2 main takeover regulators in Australia on a bilateral basis to share learnings of regulation of takeovers in our respective jurisdictions
Promoting a growing and	1.5 Procurement to promote transformation and empowerment of	Procurement report	-	-	-	-	60% of procurement awarded to service providers with Level 4 and above B-BBEE accreditation	65% of procurement awarded to service providers with Level 4 and	70% of procurement contracts awarded to service providers with Level 4 and

Outcome	Outputs	Output indicators	Audited Actual performance			Estimated performance	Medium term targets		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2020/21
inclusive economy ⁹	designated groups							above B-BBEE accreditation	above B-BBEE accreditation
Functional, efficient and integrated services within the Panel to improve economic development and ease of doing business ¹⁰	Functional, efficient and user-friendly electronic Document Management System to assist in ease of doing business	The Panel uses a cloud-based Document Management System to manage matters (both transaction and administration related). This ensures that the production records of decisions are easily reconciled and produced should the need arise.	N/A	N/A	N/A	N/A New Indicator	100%	100%	100%

⁹ In line with the overarching outcomes of the dtic (Industrialization, Transformation and Capable State).

¹⁰ In line with the overarching outcomes of the dtic

1.7. Output Indicators Annual and Quarterly Targets

Performance Indicator/measure	2024/25 Annual target	Quarterly milestones			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Staff retention reduced/ maintained?	85%	100%	85%	85%	70%
Vacancy rate reduced/ maintained?	15%	15%	15%	15%	30%
Number of Stakeholder engagements	4	N/A	2	2	-
Number of International engagements with peer regulators	2	1 ¹¹	2 ¹²	-	-
Percentage of service providers with Level 4 and above B-BBEE accreditation	60% of procurement to be awarded to service providers with Level 4 and above B-BBEE accreditation	60%	60%	60%	60%

¹¹ Engaged members of the Asia-Pacific Takeovers Regulators' Forum to discuss the "*put-up or shut up principle*" in relation to prospective offers and how it is regulated in their respective jurisdictions.

¹² Visited the Hong Kong Takeover Panel and Hosted (together with several local firms) various events where the Director General of the United Kingdom's Takeovers Panel was the guest of honour.

1.8 Explanation of Planned Performance over the Medium-Term Period

Administration

- a. The Panel's administration has been performing well, thanks to its strict adherence to corporate governance principles, legal requirements, and approved policies. However, there have been some challenges in the appointment of a Chair, Panel Members, and an Executive Director since the Panel is not fully constituted. According to the Companies Act, the Minister is responsible for these appointments, and the previous Panel Members' term ended on 30 September 2023. Since then, the Panel has been operating under significant risks due to its incomplete constitution. Despite several requests from management to the dtic and the Minister, the Panel remains incompletely constituted as of March 2024.
- b. We note that the previous Panel Members recommended extending the Executive Director's contract, but the position remains vacant since the Minister has yet to appoint someone to fill the vacancy. We understand that the Minister is faced with many important decisions and competing priorities. However, we would like to emphasize the importance of timely appointments to ensure the Panel's continued effectiveness.
- c. It's worth mentioning that the Panel adheres to approved policies, practices King IV principles, and complies with relevant legislation. We remain committed to ensuring that the Panel operates at the highest standards of corporate governance.

(the requirements of para-a to b in the APP guideline are attached herein)

1.9 Programme Resources Considerations

The Panel is financially self-sufficient, funded by transaction fees, surcharges, and interest earned on reserves managed prudently.

Budget Estimates for the year 2025 – 2027

STATEMENT OF FINANCIAL PERFORMANCE

	BUDGET ESTIMATES 2024/25	BUDGET ESTIMATES 2025/26	BUDGET ESTIMATES 2026/27
INCOME			
Unclassified Revenue	33 868 977	35 217 221	36 596 067
EXPENDITURE			
Administrative Fees	264 920	277 371	290 131
Audit Costs	461 330	483 012	505 231
Catering: Internal Activities	27 248	28 529	29 841
Communications	254 517	266 479	278 737
Computer Services	356 500	307 420	321 561
Consultants: Business And Advisory Services	2 886 961	2 902 025	2 917 460
Consumables: Stationery, Printing And Office Supplies	241 780	253 144	264 788
Contractors	59 391	62 183	65 043
Depreciation	89 271	103 092	119 276
Entertainment	34 498	36 119	37 781
Legal Services	4 509 698	4 960 667	5 456 734
Operating Lease	782 172	844 746	912 325
Operating Payments	800 378	836 921	874 843
Property Payments	426 295	469 102	516 776
Salaries And Wages	19 582 998	20 503 526	21 446 811
Training And Development	73 360	76 808	80 341
Travelling And Subsistence	697 076	729 839	763 412
Venues And Facilities	799 933	837 532	876 059

<u>TOTAL EXPENSES</u>	32 348 326	33 978 515	35 757 150
<u>NET SURPLUS (DEFICIT)</u>	1 520 651	1 238 706	838 917

STATEMENT OF FINANCIAL PERFORMANCE

TOTAL ASSETS	111 081 772	112 198 784	112 917 818
PROPERTY AND PLANTS	362 604	259 511	140 236
CASH AND CASH EQUIVALENT	110 693 134	111 909 131	112 743 029
PREPAYMENTS	26 034	30 142	34 553
CURRENT LIABILITIES	2 971 143	2 849 448	2 729 565
TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	1 559 232	1 632 516	1 707 612
DEFINED BENEFIT PLAN	948 290	753 311	558 332
NON CURRENT PROVISIONS	463 621	463 621	463 621
NET ASSETS	108 110 629	109 349 336	110 188 253
CURRENT EARNINGS	1 520 651	1 238 706	838 917
RETAINED EARNINGS	106 589 978	108 110 630	109 349 336

2 Updated Key Risks and Mitigation for the SP

Outcomes	Key Risks	Risk Mitigations
A capable state to ensure improved impact of public policies	Loss of Panel Members; loss of Institutional memory	<ol style="list-style-type: none"> 1. Effective succession plan. 2. Health and safety policy. 3. Consistent communication with the dtic about the constitution of a Panel, through the Minister appointing Panel members.
A capable state to ensure improved impact of public policies	Ruling may be based on incorrect or insufficient information	<ol style="list-style-type: none"> 1. The technical team interrogates the information received to ensure accuracy. 2. The Panel has a legal right to revoke decisions based on incorrect information.
A capable state to ensure improved impact of public policies	Incorrect/Irregular rulings may be provided	<ol style="list-style-type: none"> 1. Employee people of integrity (police clearance, background checks, references, credit checks, etc.) 2. Panel Policies related to crime prevention. 3. Teams agreement through discussions and review process
	Panel failing to keep information confidential.	<ol style="list-style-type: none"> 1. Secured IT Systems. 2. All employees are required to sign confidentiality undertakings. 3. Compliance with applicable legislation and policies. 4. Induction and Training for Panel and Its Employees.

A capable state to ensure improved impact of public policies	Poor record keeping.	The Panel works on an electronic system that automatically keeps proper records.
A capable state to ensure improved impact of public policies	Financial Management Risk	<ol style="list-style-type: none"> 1. Compliance with policies. 2. Adequate budgeting and monitoring of expenses. 3. Collaboration with external and internal auditors.
A capable state to ensure improved impact of public policies	Lack of segregation of duties (inadequacy/lapses)	<p>Succession plan:</p> <ol style="list-style-type: none"> 1. Continuous grooming of the senior associate.
A capable state to ensure improved impact of public policies	Fraud perpetrated against the Panel	<ol style="list-style-type: none"> 1. Approved Panel policies and procedures 2. Internal Audit processes 3. External Audit processes 4. Physical access restrictions 5. Disciplinary action 6. Delegation of Authority
A capable state to ensure improved impact of public policies	Business Continuity Risk	<ol style="list-style-type: none"> 1. Through effective policies including BCP. 2. Succession plan and Policy
A capable state to ensure improved impact of public policies	Non-compliance to OHSA	<ol style="list-style-type: none"> 1. Regular inspection and review of Panel's facilities and assets for compliance. 2. Public Liability Insurance

		<p>3. Continuous risk assessment and enhancing health and safety awareness.</p> <p>4. The Panel has a health and safety officer.</p>
A capable state to ensure improved impact of public policies	Investment Risk	<p>1. Regular updates to the Investment strategy to incorporate best practice.</p> <p>2. Risk averse investment management strategy</p> <p>3. Decision Analysis and quality review against best practice</p> <p>4. Diversification to various reputable institutions</p>
A capable state to ensure improved impact of public policies	Ineffective Stakeholder Engagement	<p>1. Continuous Engagement with stakeholders in particular the dtic.</p> <p>2. MOU with the JSE</p> <p>3. Documented engagement with stakeholders.</p>
Transformation to build an all inclusive policy	Key Man risk	<p>1. Capacitating the Panel with an additional resource.</p> <p>2. Training of the Finance Assistant.</p>
A capable state to ensure improved impact of public policies	Financial Sustainability	<p>1. Panel manages its finances through budgeting.</p> <p>2. The Panel invests the cash resources in low risk financial instruments.</p> <p>3. The Panel and the Audit and Risk Committee maintain an oversight of the Panel's financial resources.</p>

<p>A capable state to ensure improved impact of public policies</p>	<p>Failure to comply with the requirements of the PFMA</p>	<p>Panel is updating policies to align with PFMA requirements.</p>
<p>A capable state to ensure improved impact of public policies</p>	<p>Potential risks include cyberattacks which could compromise the effect functioning of the Panel and its related mandates.</p>	<ol style="list-style-type: none"> 1. Multi-layered security measures implemented through the adoption of MS 365 for business software in conjunction the Panel's AVG anti-virus software. 2. Continuous training of staff to promote cyber security awareness, including social engineering attacks. 3. The adoption of the cloud storage system. 4. Continuous engagement with our external service providers in order to keep abreast with the latest cyber security trends and updating our IT Plan. 5. Independent assessments by internal and external auditors and implementing their recommendations.
<p>A capable state to ensure improved impact of public policies</p>	<ol style="list-style-type: none"> 1. Loss of data and/or the inability to access data. 2. Absence of an UpToDate and adequate Business Continuity Plans and or Disaster Recovery Policy/Plan. 	<ol style="list-style-type: none"> 1. Disaster Recovery Policy/Plan 2. Continuous backups through MS 365 native cloud storage system. 3. Business Continuity Plan
<p>A capable state to ensure improved impact of public policies</p>	<p>1. Possibility that processes to maintain the integrity of information and protect IT assets such as establishing and maintaining IT security roles and responsibilities, policies, standards, and procedures are not adopted to minimise the business</p>	<ol style="list-style-type: none"> 1. Acceptable Use Policy 2. Password Protection 3. Security Response Plan Policy 4. Electronic Communications Facilities Usage Policy

	<p>impact of security vulnerabilities and incidents. Failure to manage and monitor internal and external IT threats and vulnerabilities.</p> <p>2.Limited IT knowledge and expertise on IT security functions and activities to ensure that sufficient care should be taken to protect sensitive and confidential information.</p> <p>3.Inadequate or lack of maintenance of information roles and access privileges and performance of security monitoring</p>	<p>5. Anti-virus Software installed and regularly updated.</p> <p>6. SLAs</p> <p>7. Training on Information Security management systems</p>
<p>A capable state to ensure improved impact of public policies</p>	<p>1. Possible Damage or loss of physical IT facilities.</p> <p>2. Unauthorised access</p> <p>3. Outdated dysfunctional and irrelevant IT facilities</p>	<p>1. Critical IT infrastructure is housed in an access controlled dedicated room.</p> <p>2. The Panel offices are situated in an environment with physical and electronic security to control access.</p> <p>3. The office is equipped with fire extinguishers, a fire detection system and sprinklers.</p>

3 Public Entities

Due to the nature of the Panel's legislated mandate the Panel does not have an opportunity to work with fellow state entities. It is worth noting that the Panel does however maintain good relationships with the CPIC, FISCA, Companies Tribunal and the Competition Commission. Further the Panel has a strong relationship with the South African stock exchanges. Lastly the Panel also maintains relations with institutions of higher learning to ensure dissemination and awareness of the South African Takeover regime.

4 Infrastructure Projects

This does not apply to the Panel as the Panel has a narrow mandate as per the Act.

5 Public-Private Partnerships

This does not apply to the Panel as the Panel has a narrow mandate as per the Act.

PART D – Technical Indicators Descriptions (TIDs)

Indicator Title 1	Regulation of Affected transactions: rulings, approvals and issuance of advisory opinions
Definition	<p>Regulation of affected transactions refers to reviewing of mergers and takeover specific documentation per the Takeover Provisions. This includes but is not limited to announcements, circulars, cash confirmation etc.</p> <p>The preparation of rulings and advisory in terms of the Takeover Provisions, this includes but is not limited to compliance certificates, compliance notices, exemption rulings etc.</p>
Source of Data	Activity report
Method of Calculation	The transactions, rulings, approvals are easily calculated based on invoice authorisation issued for invoicing to finance. The activity report is a further control utilised to keep track of not only the number of transactions but also the type of transactions regulated by the Panel.
Assumptions	All decisions and rulings will be monitored in terms of time taken to handled them from the day all documents are received from the client
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation	N/A
Desired performance	To respond efficiently to market participates and to issue rulings that are substantiated by the Takeover Provisions.
Indicator responsibility	Technical Team

Indicator Title	Number of vacancies
Definition	This is the number of position vacancies per the organogram.
Source of data	The organogram. .
Method of calculation or assessment	Cumulative
Assumptions	The Panel does not need to assume any factors as the information relating to the administration function is available on the servers.
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desire performance	Maintaining the vacancy rate at 15%.
Indicator responsibility	Panel Management.

Indicator Title	Active participation and attending SCCL meetings
Definition	SCCL is a subcommittee that is focused on improving company law in the republic. The Panel is a member and attends the quarterly meetings, presents and makes submissions to the committee.
Source of data	Submissions, presentations and attendance register.
Method of calculation or assessment	Cumulative
Assumptions	The Panel will continue to be member of the SCCL
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desire performance	Continued participation
Indicator responsibility	Panel Management.

Indicator Title	Internship Program
Definition	This is the Panel's internship program that runs for a period of 18 months. The internship program hires unemployed graduates from a previously disadvantaged backgrounds.
Source of data	The interns
Method of calculation or assessment	Cumulative

Assumptions	The Panel does not need to assume any factors relating to the internship program.
Disaggregation of beneficiaries	N/A
Spatial transformation	N/A
Desire performance	The Panel to hire interns per the internship program.
Indicator responsibility	Chief Financial Officer