INSPIRE.INNOVATE.

INTEGRATED ANNUAL REPORT **2021**

Contents

About this report

Scope and boundary

This Integrated Annual Report provides information relating to Jasco's strategy and business model, operating context, material risks and opportunities, governance and operational and financial performance for the period 1 July 2020 to 30 June 2021.

The group operates in southern Africa. This report was compiled while considering the recommendations of the King IV Report on Corporate Governance™ (King IV™*) and the International Integrated Reporting Council. Our application of the King IV principles can be found on our website www.jasco.co.za.

The abridged results have been prepared in accordance with the framework concepts and in accordance with the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the measurement and recognition requirements of the Financial Reporting Pronouncements and contains as a minimum the information required by IAS 34 Interim Financial Reporting under the supervision of Liska Prigge CA(SA). The abridged financial statements included in this report, which were derived from the audited consolidated financial statements for the year ended 30 June 2021, have not been audited or reviewed.

The directors take full responsibility for the preparation of the abridged report and for the correct extraction of the financial information from the underlying audited financial statements. The auditor, Mazars, provided an unqualified opinion on the audited annual financial statements with an emphasis of matter included. The annual financial statements and a copy of the unqualified audit opinion, together with the emphasis of matter, are available at Jasco's registered office and on our website www.jasco.co.za.

Materiality

Our stakeholder engagement, as well as our internal discussions as a board and management team, were considered during the compilation of this Integrated Annual Report. We interrogated the material issues through various forums, such as our main board and board sub-committee meetings. Refer to page 19.

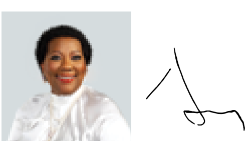
Forward-looking statements

This report contains certain forward-looking statements with respect to Jasco's financial position, results, operations and businesses. These statements and forecasts contain risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The auditor's report does not necessarily report on all of the information contained in this announcement/financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report, together with the accompanying financial information from the issuers, registered office.

Directors' responsibility

The Jasco board, supported by the audit and risk committee, takes overall responsibility and accountability for this report. Executive management is responsible for the preparation of this report. The board has collectively reviewed the report and confirms the integrity of the content. The board believes that this report is a balanced and appropriate presentation of the profile and performance of Jasco. Upon recommendation from the audit and risk committee, the board approved this report on 31 December 2021.

Main board



Dr Anna Mokgokong
Chairman (Non-executive)

Joe Madungandaba
Deputy chairman (Non-executive)

Pumla Radebe
Lead independent non-executive director

Warren Prinsloo
Chief executive officer

Liska Prigge
Chief financial officer

Danie du Plessis
Independent non-executive director

Shaheen Bawa
Independent non-executive director

Thandeka Zondi
Independent non-executive director

Pete da Silva
Alternate non-executive director

Who we are

Jasco delivers technologies across multiple disciplines of communication and intelligent solutions, security and fire safety and electrical manufacturing. Jasco has been listed on the Johannesburg Stock Exchange since 1987.

Our purpose

Build a sustainable profitable business through:

Our people
being the soul of our organisation

Our customers
being our valuable advocates

Our organisation
being innovative in everything we do

Our vision

To be a leading smart solutions provider to our customers, enabling our goal of making a balanced and sustainable life possible for all.

Our values

How we performed

Financial results (continuing and discontinued operations)

Revenue
R742,7m
(2020: R939,2 million)

PBIT&
R23,6m
(2020: R60,3 million loss)

Earnings
R9,1m
(2020: R102,6 million loss)

Financial results (continuing operations*)

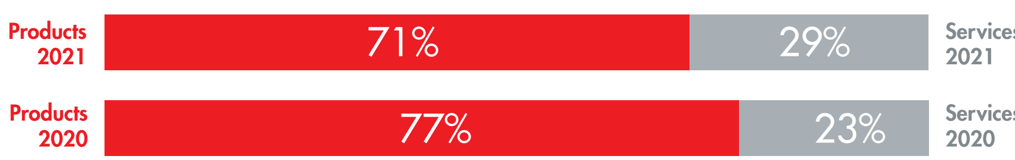
Revenue
R658,5m
(2020: R663,1 million)

PBIT&
R5,5m
(2020: R82,9 million loss)

Earnings loss
R23,4m
(2020: R116,1 million loss)

Customers
>500
Only one customer contributing >10% of group revenue

Business mix



Taxation paid
R7,6m
(2020: R10,9 million)

Net interest paid
R24,6m
(2020: R31,2 million)

Employee remuneration
R196,6m
(2020: R261,8 million)

Skills development
R2,2m
(2020: R8,5 million)

& *Profit before interest and tax.*
* *Excludes Reflex and Property Technology Management.*

Where we operate

The group offers services and products to South Africa and a number of southern African countries from its offices in South Africa.

Regional offices in South Africa

- Johannesburg
- Cape Town
- Durban

Certifications

ISO 9001:2015

Top Employer

Sectors we operate in

- Information and Communication Technology (ICT)
- Power and renewable energy
- Security and fire
- Contract manufacturing

Number of employees

570*

** Excludes seasonal contract workers of 78. Total number of employees 648.*

Revenue per employee

R1,1m

Broad-based black economic empowerment

Level 3
(ICT sector codes)

57%
Black-owned

36%
Black female-owned

Our group structure

To ensure ongoing improvement in uncertain markets, the group was restructured, with a new group structure from 1 November 2020.

The revised structure has enabled managerial and administrative efficiencies and additional cost reductions without compromising customer delivery.

JASCO
INSPIRE.INNOVATE.

Communication Solutions

- Webb Industries
- Carrier Solutions
- DataVoice
- RAMM Technologies

Intelligent Solutions

- Enterprise
- Broadcast
- Hi Sites and Property Solutions
- Co-location Solutions (NewTelco)
- Power Solutions

Security & Fire Safety

- Security
- Fire Safety

Electrical Manufacturers

- Domestic Appliances
- Pool Care
- Electrical Components

Our market context

COVID-19 has had a significant impact on our home market of South Africa, its businesses and its people. Jasco implemented government regulations and protocols at the start of the pandemic. These included screening, recording results, providing protective masks to all employees and visitors, improved cleaning protocols and updated health and safety procedures to include COVID-19 regulations and protocols.

During the year, we communicated regularly with our customers, employees, suppliers and sub-contractors on the impact of COVID-19.

Budgets and forecasts were reviewed to identify the business risks caused by COVID-19 and mitigation plans were put in place to address the impact on the business.

Employees

The effect on Jasco's employees during the year has been pronounced, with several employees losing loved ones and others managing financial pressures. The group unfortunately had to implement salary deferments across the group during the first half of the financial year. We also had to review our operational requirements against tough market conditions and re-evaluated consultant and sub-contractor agreements to cut non-essential costs.

Employees had to adapt to working from home on a rotational basis or, where required, return to work full-time under strict compliance regulations. To identify employee concerns and how we could support them, we conducted an online employee survey. This found that employees missed team interaction and a return to some form of office environment. We also noted some challenges in creating a work/life balance, dealing with homeschooling, family matters and general anxiety in terms of the pandemic and the impact on business continuity.

We actively promoted our employee wellness programme to assist employees and offered employee counselling. We also provided regular feedback to employees about the pandemic and case numbers in the group and country. Regular team meetings, virtual business unit and group town hall meetings were implemented to ensure employee engagement.

We experienced an increase in employees testing positive during the second and third waves of COVID-19 infections in South Africa. We assisted employees who tested positive through our wellness programme and regular communication from line management. Where required, the human resources team assisted with guidance and support. Employees were also supported once they returned to the office. Unfortunately, one employee lost her life to COVID-19.

Processes and systems

We implemented a number of processes and systems to ensure safe and efficient operations. These included:

- Processes in line with government requirements, such as stringent sanitising procedures, screening and office disinfecting
- Regular COVID-19 audits at our sites to ensure that all protocols were adhered to
- Enhancing our IT systems to support our employees working from home

Customers

The biggest impact during the year was the economic effect on businesses, with several customers cutting costs. This led to a slowdown in projects in a number of businesses. In addition, in certain businesses the inability to travel and conduct physical meetings impacted customer engagement, while in others teams could not access customer sites due to lockdown restrictions.

The teams continued to communicate with customers in virtual sessions and focused on effective delivery where projects did continue.

Operations

ICT – Communication Solutions

Webb Industries

Webb Industries was severely impacted during the initial hard lockdown in 2020 due to the inability to continue manufacturing and operate its warehouses. Shortly after the level 5 lockdown was lifted at the start of May 2020, a number of COVID-19 cases forced the Kitting facility to be closed for a few days to sanitise and ensure the safety of the remaining employees.

After the initial three infections, the company managed to keep infections down due to strict adherence to protocols. This resulted in no infections during the second wave and only seven infections in the third wave. None of the infections in the third wave occurred at the facility.

Where possible, the team continues to manage the safety of employees through ongoing remote working.

The pandemic unfortunately also impacted procurement, with shortages of steel and copper and pressure on shipping capacity, both by sea and air. This continues to affect lead times and the cost of logistics.

In addition, customer projects were initially delayed, which impacted Webb's first half of the 2021 financial year. An improvement was seen in the second half, which has continued in the new financial year.

The Carrier Solutions business was integrated into Webb Industries during the second half of the financial year following the group restructure in November 2020.

DataVoice

DataVoice managed remote working effectively, with only one mild COVID-19 case in the employee base, which occurred outside of the working environment.

The biggest impact during the year was the slowdown in sales due to economic pressure on companies and delayed projects. In addition, a key challenge was the inability to build relationships through physical meetings. The ban on travel has prevented in-country networking with customers in countries such as the UAE, Singapore, Poland and Oman.

RAMM Technology

Although the majority of RAMM Technology's employees returned to work from the start of the financial year, the business' major customers' decision-making processes were delayed due to the majority of their employees working from home. However, when projects did occur, the business managed to implement these swiftly, maintaining customer satisfaction levels.

ICT – Intelligent Solutions

Enterprise

Enterprise's workload was affected at the initial stages of COVID-19 when clients had to close their contact centres and send their agents home. Our support teams successfully migrated thousands of agents to remote workers. Through regular customer sessions, we managed to ensure customer support during a very difficult period.

Due to economic pressure and operational re-prioritisation, customer spending patterns were impacted. Spending on technology projects was delayed, which affected our pipeline and sales for the year. However, the remote working culture has highlighted the advantages of cloud solutions and has started cloud migration discussions throughout the industry. Many of our longer-term strategic opportunities will result from this new trend.

Delivery of certain projects outside South Africa was delayed, as our technicians could not travel. Despite this, we managed to deliver the majority of our foreign projects remotely due to the nature of our systems and services.

Broadcast

The Broadcast team's delivery was hampered by the inability to travel internationally to customers on the African continent. This prevented physical sales meetings and addressing customer challenges, as well as technical on-site services. Our service offering therefore had to be amended to remote services only.

A number of key South African customers also re-evaluated their capital expenditure budgets due to the pandemic's impact on their operations. In addition, a few key sales resources resigned in recent months due to the drop in sales and associated commission income.

Hi Sites and Property Solutions

This business was the least affected by the impact of COVID-19 due to its annuity profile of lease income. Although this meant that revenues were steady, margins came under pressure due to higher maintenance, security and electricity costs.

Co-location Solutions (NewTelco)

This business was minimally impacted by the COVID-19 restrictions at an operational level. However, key customers delayed their capital spend in response to the economic slowdown. This required the delay of certain internal improvement projects.

Power Solutions

Power Solutions also experienced a slowdown in customer demand, particularly during the first half of the financial year. As lockdown levels eased, and productivity levels increased across all industries, with rising energy demands, Eskom came under increasing pressure to supply sufficient electricity. This meant a return to loadshedding, which has stimulated demand for power assurance, power quality and renewable energy systems.

Security & Fire Safety

The majority of employees returned to the office when lockdown levels eased to Level 3.

The business was severely affected during the higher levels of lockdown due to the inability to access customer sites. Once the lockdown levels eased, some technical team members had to be tested for COVID-19 before going to customer sites to implement planned projects. This led to some delays in project roll out. In a few instances, project implementations were impacted due to employees testing positive for COVID-19.

Electrical Manufacturers

Due to the nature of this business, the majority of employees returned to work in July 2020 as the lockdown restriction levels eased to Level 3. This increased production during the first half of the financial year in response to strong demand from the large appliance manufacturers.

However, as customers remained under financial pressure, demand reduced during the second half of the year. The business was also significantly impacted from April to June 2021 due to strike action at a major customer and the decline in the number of productive shifts due to planned maintenance at another key customer for several weeks.

Unfortunately, the impact of COVID-19 was exacerbated in South Africa by violent unrest in July 2021 in mainly KwaZulu-Natal and Gauteng.

General trade, essential services, certain customer operations and a number of Jasco's own operations in these two provinces were impacted.

To ensure the safety of employees and assets, the Electrical Manufacturers' plant in Pinetown was closed for more than a week. A number of operations in Gauteng closed early for a few days to ensure the safety of employees and head office and operational site employees worked from home.

The servicing of customer sites was impacted in Security & Fire Safety due to road closures and the inability to travel in unsafe areas.

Our group strategy

Jasco provides solutions and products that assist customers to navigate the rapidly changing business environment created by disruptive technologies.

COVID-19 changed the way people work and live. Although the pandemic deeply affected economies, businesses and people's livelihoods, it also resulted in an increased demand for technology and communications offerings. Within this context, evolving technologies, in particular the Internet-of-Things (IoT), are increasingly allowing technology companies to better solve customer challenges. This has accelerated the "smart" ecosystem concept which is associated with the application of new ideas and technologies. Key enabling technologies include IoT, artificial intelligence, machine learning, augmented reality, virtual reality, blockchain and the underlying infrastructure elements (sensors, gateways, platforms, connectivity and communications).

To meet this growing demand, we continued to develop our offerings to ensure we have a sustainable business that adds value to our customers.

Our solutions and products range from the infrastructure level, which is becoming more commoditised, to analytics and business consulting at the top end of the value-added spectrum where we have the ability to differentiate ourselves in the market.

The smart ecosystem

Smart cities, smart buildings and smart businesses all represent an ecosystem of inter-dependent people, processes, systems and things that rely on digital technology to engage, transact, and share information through a common digital platform for a mutually beneficial purpose.

Smart cities

A smart city is a city or part of a city that uses technology to improve outcomes across every aspect of operations and to enhance the services it offers its residents. The technology collects and uses data to drive its decision-making, and creates networks of partners among government organisations, businesses, community groups, education institutions and hospitals to expand and improve its ability to serve its residents.

Smart businesses

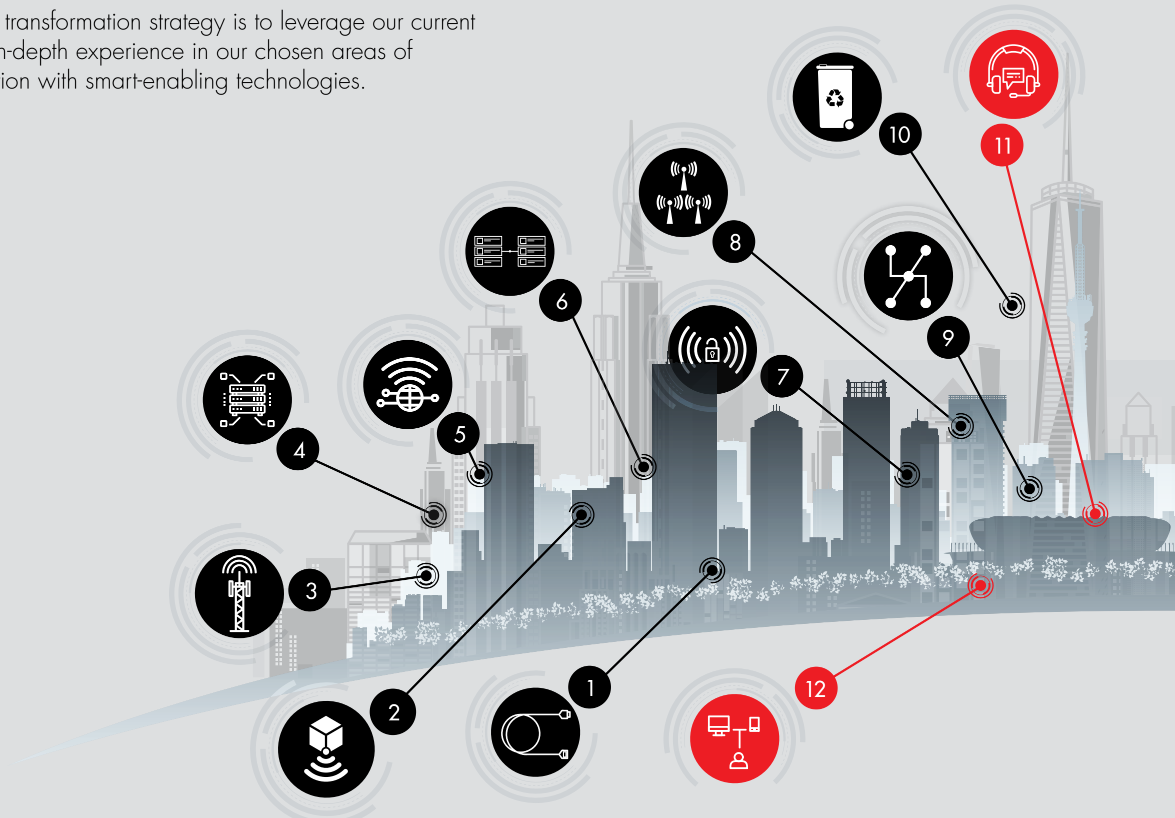
A smart business describes organisations that integrate connected products, systems, processes, customised services and advanced analytics to optimise operations and maximise business outcomes. A connected product has a sensing mechanism and a means of communicating any changes in its environment, as well as the ability to make corrections through embedded software. It is part of a connected Internet-based network, having advanced capabilities of data collection, processing, reporting and built-in intelligence to take corrective action.

Smart buildings

Smart buildings are structures that use automated processes to intelligently control buildings' operations, such as heating, ventilation, air conditioning, lighting, security and other systems. A smart building uses sensors, actuators and microchips to collect data and manage it according to businesses' functions and services. This infrastructure assists owners, operators and facility managers to improve asset reliability and performance, which reduces energy use, optimises how space is used and minimises the environmental impact of buildings, equipment and appliances.

Our customers increasingly form part of smart ecosystems and demand solutions that will make this possible. Jasco has positioned itself as a value-added systems integrator and service provider to assist our customers to transition their businesses.

Central to Jasco's ongoing transformation strategy is to leverage our current portfolio of solutions and in-depth experience in our chosen areas of specialisation, in combination with smart-enabling technologies.



Smart ecosystems

Smart cities

Communication Solutions/Intelligent Solutions

1. Cables and connectors
2. Distributed antenna systems
3. Masts and towers
4. Access networks
5. Transmission networks
6. Data centres – carrier neutral
7. Open access networks
8. Hi Sites
9. Asset tagging and tracking (IoT)
10. Waste management (IoT)

Smart businesses

Intelligent Solutions

11. Unified communications
12. Contact centres
13. Workforce optimisation
14. Cloud (IaaS, PaaS, SaaS)
15. Rooftop management
16. Broadcast video solutions
17. Digital media

Smart buildings

Security & Fire Safety	Intelligent Solutions	Electrical Manufacturers
18. CCTV and surveillance 19. Access control 20. Fire detection 21. Fire suppression	22. Power quality assurance 23. Renewable photovoltaic, solar energy	24. Plastic injection moulding 25. Metal pressings 26. Tooling 27. Wire harnesses

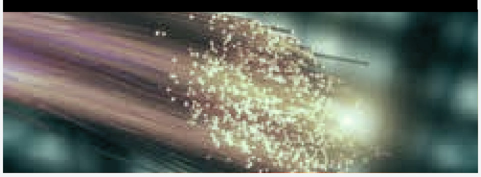
Our strategic priorities

Group

- Grow revenue through a continued focus on expanding our offering in changing market conditions
- Address internal funding to assist with profitable growth and market relevance
- Restructure debt to ensure the group remains sustainable
- Maintain stringent cost control

Operations

Communication Solutions



- Diversify our customer base through targeting different markets and sectors, product innovations and increased solutions offering
- Expand into new markets and geographies
- Identify new partnerships and nurture existing partnerships

Intelligent Solutions

- Optimise solutions offering and value proposition to meet fast-changing market requirements
- Increase annuity revenue though improving managed services support models and expanding cloud offerings
- Improve business operations and efficiencies through shared functions
- Identify opportunities to renegotiate rentals and escalations on existing leases to save costs

Security & Fire Safety

- Expand the customer base through targeting different markets and sectors, product innovations and increased solutions offering
- Identify potential new markets and geographies
- Target new partnerships and nurture existing partnerships

Electrical Manufacturers

- Continue to diversify the customer base
- Grow the product offering
- Improve margins on existing volumes

Environmental, social and governance (ESG) strategy

The group's business strategy takes ESG aspects into consideration

We are at the start of our ESG disclosures and will continue to improve our reporting going forward, taking into account the guidelines and standards published by the JSE Limited and to be published by the newly formed International Sustainability Standards Board.

Environmental

Although the group is not a heavy user of natural capital, we have a manufacturing facility that uses electricity to power our production lines. This facility continues to focus on its strategy of increasing efficiencies and optimal electricity use.

At a group level, our investment in a solar photovoltaic car park continues to reduce our carbon footprint, with a reduction in our footprint of 119 tCO_2 this year. We also saved 114,2 MWh on electricity, which resulted in a cost saving of R191 015.

Social

We expect our employees and Jasco-related stakeholders to conduct themselves with the highest level of honesty and integrity. As a group, we focus on responsible engagement with our stakeholders and carefully consider which suppliers we use. We have stringent supply arrangements in place and our products are responsibly sourced. Several businesses are ISO 9001:2015 certified to ensure quality is entrenched in our operations.

The group's social engagement strategies focus strongly on employees and their wellbeing. We were certified as a Top Employer in 2019 and maintained this in 2020 and 2021. During this year, we increased our support for employees during the tough conditions of COVID-19 and remote working.

Jasco's remuneration policy aims to attract talent and critical skills in a very competitive skills market. The group focuses on retaining quality employees who improve business performance and output, as well as service delivery to our customers. The remuneration policy is designed to motivate individual and team performance, as we support a fair and competitive reward strategy to ensure remaining a Top Employer.

Refer to pages 40 to 45 for information on our remuneration strategy.

Governance

Ethical leadership and good corporate governance are priorities for Jasco. We are committed to achieve the highest standards of ethical behaviour.

The group company secretary is responsible for assisting the board to lead ethically. The board's integrity, competence, accountability, fairness and level of transparency with its stakeholders are evaluated each year through a board assessment.

We have various mechanisms in place to prevent and discourage unethical and fraudulent behaviour in the group. This includes an independent ethics hotline to enable employees, contractors, suppliers or other associates to report any suspected unethical behaviour. Refer to page 48 for the governance review.

Our business model

INPUTS

What we use and what we rely on

Financial capital

We rely on the financial resources given to us by our shareholders and debt financiers.

Manufactured capital

We rely on our physical assets that enable us to carry out our operations in an efficient manner.

Human capital

We rely on a high calibre of talent that is key to differentiate ourselves with our customers.

Intellectual capital

We rely on our vast knowledge, experience and industry insight to continuously find ways to innovate and provide solutions to our customers.

Social and relationship capital

We rely on the relationships we enjoy with our stakeholders and broader communities to create a reciprocal value-creation dynamic.

Natural capital

Energy resources are critical to our operations, particularly in the energy and fleet we use to service our operations.

Leadership · Accountability · Performance · Passion · Agility · Learning · Innovation · Integrity

Our values are at the core of what we do. We actively align our capital allocation with what we believe in.

Sectors we operate in / What we offer

Sectors we operate in	What we offer	
Communication Solutions	Cables and connectors	Distributed antenna systems
	Access networks	Masts and towers
Intelligent Solutions	Contact centres	Unified communications
	Cloud (IaaS, PaaS, SaaS)	Hi Sites
	Data centres	Renewable energy
Security & Fire Safety	Security	Fire
Electrical Manufacturers	Plastic injection moulding	Metal pressings

Transmission networks

Waste management (IoT)

Open access networks

Voice recording applications

Workforce optimisation

Digital media

Broadcast video solutions

Rooftop management

Power

Paint and print solutions

Wire harness manufacture

Vertical markets we deliver value to:

Telecommunications operators

Systems integrators

Media

Financial services

Logistics

Wholesalers and retailers

Health

Hospitality

Education

State-owned enterprises

Non-governmental organisations

Facility management

Property

Construction

Large appliance manufacturers

Motor industry

Leisure industry

Our values-based activities enable us to achieve our purpose of building a sustainable, profitable business through:

Our people

being the soul of the organisation

Our customers

being our valuable advocates

Our organisation

being innovative in everything we do

VALUE CREATED

How we manage our capital

Financial capital

Inputs	• Opening shareholders' equity of R59,6 million • Corporate bond of R20 million • R130 million working capital loan facility
Activities to create value	• Concentrated on revenue mix and cost reductions to improve operating margins • Restructured a number of businesses to increase focus and lower costs • Maintained our focus on keeping working capital days below our target of 35 days • Disposed of Reflex Solutions and Property Technology Management, and used the proceeds to reduce debt and fund the working capital requirement of the group • To minimise supply chain disruptions due to COVID-19, we increased inventories of key raw materials and products to ensure continuity of supply to our customer base
Outcomes of our activities in 2021	• Revenue from continuing operations flat, but margins improved following a cost reduction exercise • Operating profit from continuing operations improved from a loss of R82,9 million to a profit of R5,5 million • Earnings improved from a loss of R110,9 million to a profit of R6,5 million due to improved margins and a significant reduction in the overhead cost base • Net working capital days of 22,5 days remained below the target • Cash generated from operations decreased from R37,9 million to R18,9 million. This was mainly due to the reduction on trade credit terms from major suppliers during the second half, which resulted in a R29,0 million cash outflow • Gearing increased from 315% to 318% due to the disposal of Reflex which reduced the minority share of shareholders' equity by a similar level to the R40 million reduction in debt
Trade-offs	The group has to constantly monitor the trade-offs between short-term and long-term investment to ensure optimal benefits and financial performance.

Manufactured capital

Inputs	• The group continued to invest in COVID-19 measures to ensure safe manufacturing operations • R0,6 million spent on capex projects to improve manufacturing operations
Activities to create value	• Policies, processes and training implemented to maintain its certifications
Outcomes of our activities in 2021	• Maintained our ISO 9001:2015 certification • One new product line introduced at Electrical Manufacturers • Disruptions to supply chains due to COVID-19 minimised
Trade-offs	Investing in our operations requires significant financial, human, and intellectual capital inputs. However, these are crucial for us to continue producing quality products and maintaining our long-standing customer relationships and accredited production facilities. We also use a number of natural capital resources, such as water and electricity. We have implemented a number of initiatives to limit our impact, as outlined below.

Natural capital

Inputs	• R8,2 million spent on electricity usage
Activities to create value	• Our manufacturing facility continues to focus on operational efficiencies, including electricity-saving initiatives • At a group level, our investment in a solar photovoltaic car park continues to reduce our carbon footprint
Outcomes of our activities in 2021	• Electricity savings of R191,015 or 114,2 MWh of energy in the group • The car park solar solution reduced our carbon footprint by 119 tCO^2e
Trade-offs	Using natural resources is a key trade-off in the generation of value across the other capitals. As a responsible organisation, Jasco is committed to minimise its impact on the environment and decrease its use of natural capital.

Human and intellectual capital

Inputs	• 570 permanent employees • Salaries and wages of R196,6 million • R2,2 million invested in skills development
Activities to create value	• Stringent focus on safe operations • Significantly increased internal communication • Focus on successful succession and empowerment from within • Continued focus on training and development of our black and disabled employees • Certification of technical employees to meet customer requirements • Online learning and development programme offered to all business units
Outcomes of our activities in 2021	• Ongoing transformation, with 41% female employees and 74% black employees • Internal promotions, such as the CEO, CFO and the managing director of Intelligent Solutions who were promoted from within the group • Met the sub-minimum requirement for skills development in our last B-BBEE certification • Top Employer certification maintained, as well as recognition within the industry
Trade-offs	Investing in attracting, retaining and developing talent comes at a high financial cost to the business. Although this impacts our short-term financial position, the benefits of having an experienced team in place was proven to be crucial during the challenging COVID-19 year, with our teams able to act decisively to address new market dynamics.

Social and relationship capital

Inputs	• R322 177 spent on social programmes • Constructive engagement with regulators and customers • Positive supplier engagement
Activities to create value	• Social programme grants and contributions, with a particular focus on assisting impacted communities during COVID-19 • Adherence to all regulations and required payments • Stringent focus on supplier relationships
Outcomes of our activities in 2021	• Maintained our focus on existing social projects during the year. Delayed certain programmes to the 2022 academic year due to COVID-19 lockdown regulations • R7,6 million paid in government taxes
Trade-offs	Maintaining effective relationships with a range of stakeholders, including suppliers, communities and regulatory bodies require a careful balance between stakeholder interests.

Key risks and material issues

Key risks and material issues	Mitigation actions
Financial	
Gearing levels and ability to service debt	Although operating profit performance improved in FY2021, the interest burden of the group's debt is too high. The corporate bond was reduced by R25 million and the Bank of China (BoC) loan by R15 million through the proceeds of the Reflex disposal. However, further debt reduction is required to ensure the sustainability of the group. Refer to the CFO's review on page 28 for detailed actions taken.
Not meeting the financiers' conditions	The bondholder and BoC condoned the group's inability to meet the covenants during the year. The bondholder agreed to extend the repayment date to 31 January 2022. Subsequent to year-end, the BoC loan was restructured into a term loan over 36 months, of which a minimum of R10 million will be settled using the proceeds of the planned rights offer and the remaining balance of R120 million is repayable monthly from January 2022 until December 2024. The facility is secured through the cession of debtors and a general notarial bond over movable assets.
Demand of underperforming business units on the group's cash position	Loss of trade debtors insurance cover has impacted trade finance from certain suppliers. The group retained a portion of the Reflex and Property Technology Management disposal proceeds to fund the working capital demands in the fourth quarter. Certain suppliers maintained our credit terms due to our consistent payment records in key businesses.
Lease commitments	The group's head office was partially sub-let to tenants to assist with the group lease commitments.
Further weakening of the credit rating	The group's credit rating remains unchanged with a negative outlook. This risk will be addressed by meeting with the credit insurance companies in the future to present the group's performance and demonstrate the completion of the turnaround.
Strategic and operational	
Ongoing impact of COVID-19	Refer to pages 6 to 8 for the impact and mitigation.
Downgrade in B-BBEE* rating below level 4 could impact certain customer contracts	As outlined in the past, achieving the required spend in employment equity and skills development is challenging for smaller companies. The group continues to identify possible solutions, which include verification at business unit level, where possible.
Retention of key skills and investment in skills training	We have continued with an online training and development platform and increased the number of employees who participated in the platform. Where possible, we have extended bursaries to employees for development paths, retention and learning and development opportunities. We have partnered with a third-party provider for learnerships for young and disabled individuals.

* *Broad-based black economic empowerment.*

Our leadership team

Dr Anna Mokgokong **N(C)**

Chairman

Joined the board: 2003

Dr Anna is a co-founder and the executive chairman of Community Investment Holdings (Pty) Ltd. She is a renowned business figure in South Africa and globally, with widespread experience in healthcare, academia and commerce. She is recognised as a senior director of companies on the Johannesburg Stock Exchange, as she serves on the boards of various listed companies.

She also serves on several non-listed entities. She has received numerous local and international accolades as a community and business leader, including SA Businesswoman of the Year (1999) and one of the Leading Women Entrepreneurs of the World (1998). She received a Lifetime Achievement Award (2018) from Premier David Makhura at the Township Entrepreneurship Awards.

She has served in numerous councils of academic institutions and civil society commissions, such as The Independent Commission for Remuneration of Public Office Bearers, where she was appointed as deputy chairman by the former President Mr Thabo Mbeki (from 2004 to 2009). She was also a commissioner of the Interim National Defence Force Commission (from 2009 to 2013). She is a social activist and passionate about women's empowerment and transformation to create equality in the economy of South Africa.

She was appointed as Honorary Consul General of Iceland in Pretoria in 2017.

Joe Madungandaba **I(C), N, R**

Deputy chairman

Joined the board: 2003

Joe studied Commerce at the University of the North, Cranfield School of Management (UK) and at the Wharton Business School (USA). He is a member of the Institute of Commercial and Financial Accountants of Southern Africa and is a certified public accountant and tax practitioner. He is the group CEO of Community Investment Holdings and is a member of all its subsidiaries' boards.

He is also a non-executive director of public listed companies Distell and AfroCentric.

Warren Prinsloo

CEO

Joined the board: 2006

Warren was appointed as the CEO on 1 March 2021. He joined Jasco as the CFO in August 2006, and served for almost 15 years in the position, during which time he accumulated extensive experience and an intimate knowledge of the group. He has developed strong relationships with the group's key stakeholders, and a good understanding of the strategic measures required to ensure Jasco's turnaround.

Prior to joining Jasco, Warren held various senior financial positions within the Massmart group. Warren is a CA(SA) who studied B.Com and B.Acc at the University of the Witwatersrand, completed his articles in 1998 and was promoted to a managerial position in 1999 at Ernst & Young.

Liska Prigge

CFO

Joined the board: 2021

Liska was appointed as the CFO on 1 March 2021. Liska joined Jasco as the Group Finance Executive in July 2007. She was promoted to the position of the divisional Financial Director in 2017 in ICT-Enterprise. Liska is a CA(SA) who studied B.Com (Hons) Accounting at the University of Pretoria, completed her articles in 2005 and was promoted to a managerial position in 2006 at Ernst & Young.

Pumla Radebe **S(C), A, R**

Lead independent non-executive director

Joined the board: 2017

Pumla is a certified chartered director and a member of the Institute of Directors. She studied BA Social Work at Fort Hare University, completed a board leadership course at GIBS and holds a diploma in Policy Development and Management from Regenesys. She is the chairman of Khuselo Investments and Khuselo Telecommunications, and also holds an executive director position at Bungane Development consultants and Emlanjeni Development Programmes.

Danie du Plessis **A(C), I**

Independent non-executive director

Joined the board: 2018

Danie serves as chairman of the audit and risk committee and is an independent non-executive director. He is a highly experienced business development professional, specialising in accounting and financial consultancy services. He has a solid grounding in finance and assurance-related practice after many years in high-level roles. He served as a partner at PwC until his retirement in 2014. He now serves on a number of boards and audit committees and serves as chairman of the board of an unlisted public company.

Shaheen Bawa **R(C), I, N, S**

Independent non-executive director

Joined the board: 2014

Shaheen is the CEO of Eclipse Unlimited Holdings (Pty) Limited, which invests in the ICT, energy, gaming, property and distribution sectors. Shaheen also serves, in an executive and non-executive capacity, on the boards of several unlisted companies.

Thandeka Zondi **A, I**

Independent non-executive director

Joined the board: 2017

Thandeka is a qualified CA(SA), entrepreneur and a seasoned executive and non-executive director. Thandeka is the founder and CEO of MoneyWorks Financial Services, a digital supply chain financing fund and platform.

Thandeka is also an independent non-executive director on the boards of Old Mutual SuperFund Defined Contribution Umbrella Retirement Fund, Ince, Old Mutual Insure and Thebe Investment Corporation. On all the boards she is or has participated as a member of the audit and risk committee and is the chair of the audit committee on some. Thandeka is also a past First Vice President of the Advancement of Black Accountants of Southern Africa.

Pete da Silva

Alternative non-executive director

Joined the board: 2009

Pete joined the board as an independent non-executive director, and was later appointed as group CEO in 2011. He held this position until his retirement in June 2018 when he was appointed as an interim non-executive director to the deputy chairman. He was appointed as Interim group CEO from 31 May 2020 until 28 February 2021 during the height of the COVID-19 pandemic, while the board evaluated potential permanent successors. From 1 March 2021, Pete returned to the position of alternate non-executive director to the deputy chairman. Prior to joining Jasco, Pete held the positions of CEO at A1GP and SIEMENS South Africa.

Makwe Ngwato **s**

Group executive: Marketing and communications

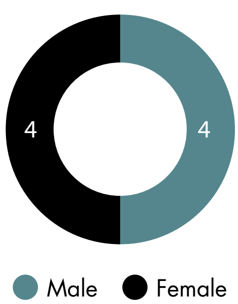
Makwe joined Jasco in 2013 as group marketing manager. He was promoted to group executive of marketing and communications in 2016. Makwe has almost 20 years' experience in strategic marketing and corporate communications. He has worked for the ADvTECH group, Monash University, Tsogo Sun, Absa, Trinergy Brand Connectors and Vodacom Sponsorship Marketing.

KEY TO COMMITTEES:

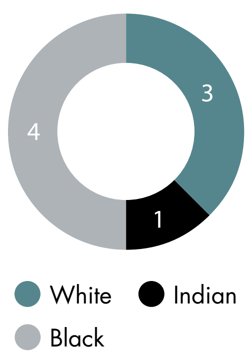
A – Audit and Risk Committee
I – Investment Committee
N – Nominations Committee
R – Remuneration Committee
S – Social and Ethics Committee
(C) – Chairman

Board demographics

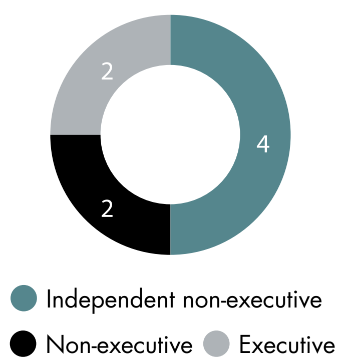
Gender diversity



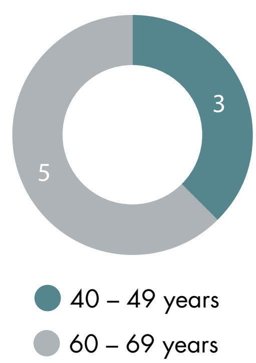
Race diversity



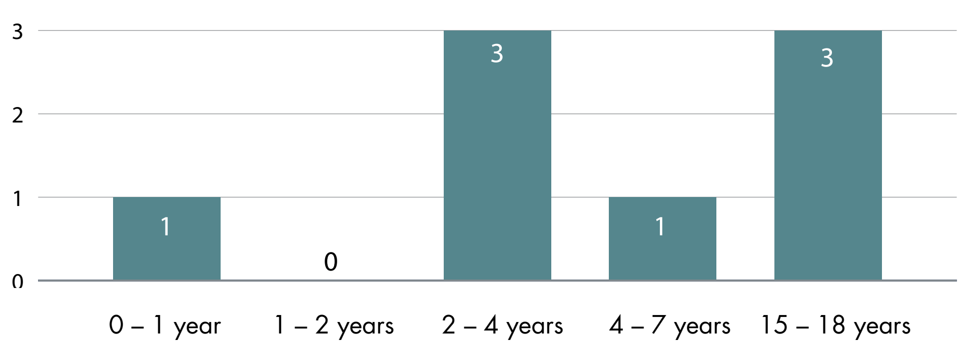
Independence



Age



Tenure



Key performance areas for our leadership team

The leadership team has defined key performance areas, with remuneration closely linked to the achievement of these measures. During the year, no short-term incentives were paid to any of our executive team members.

Chief executive officer (CEO) Warren Prinsloo (appointed 1 March 2021)

Key performance areas	Performance
Leadership	The board reviews the performance of the CEO each year. As Warren was only appointed towards the end of the financial year, his performance review will take place in FY2022.
Group strategic development with a focus on:	
• Transformation within the group	• The group improved its broad-based black economic empowerment rating to level 3
• Maintenance of our status as a Top Employer	• The group maintained its status as a Top Employer
• Review of the group's business portfolio and disposal of Reflex	• The group portfolio was reviewed, with Reflex and Property Technology Management disposed of
• Further restructure of the group	• The group was successfully restructured
Group financial performance	Although the group's performance improved, the targeted EPS was not achieved. Accordingly, no performance-based short-term incentive was paid.
Safety, health, environment and quality (SHEQ)	No work-related fatalities or major injuries were reported. A comprehensive SHEQ audit was conducted to ensure compliance to all health and safety requirements.
Customer focus	Due to the COVID-19 pandemic, the net promoter score was not measured during FY2021.
Stakeholder communication and development	Regular communication with key stakeholders continued in FY2021. Positive informal feedback was received from shareholders, customers and suppliers. The employee climate survey was conducted and a 75% baseline was achieved. The group maintained its Top Employer certification.

Chief financial officer (CFO) Liska Prigge (appointed 1 March 2021)

Key performance areas	Performance
Leadership	As Liska was appointed towards the end of the financial year, her performance review will be conducted in FY2022.
Group financial performance	Although the group's performance improved, the targeted EPS was not achieved. Accordingly, no performance-based short-term incentives were paid.
B-BBEE	The group improved its B-BBEE contribution status to level 3.
External and internal compliance management	There were no adverse audit findings.
Unqualified annual financial statements (AFS)	Unqualified AFS were delivered, as required by the JSE Listings Requirements.
Stakeholder communication and development	Regular communication with key stakeholders continued in FY2021. Positive informal feedback was received from shareholders, customers and suppliers. The employee climate survey was conducted and a 75% baseline was achieved. The group maintained its Top Employer certification.

Executive committee (exco)

Key performance areas	Performance
Leadership	Positive leadership skills were displayed in the year under review during the group's ongoing restructure.
Group financial performance	Although the group's performance improved, the targeted EPS was not achieved. Accordingly, no performance-based short-term incentives were paid.
B-BBEE	The group improved its B-BBEE contribution status to level 3.
SHEQ/COVID-19 regulations	A comprehensive SHEQ audit was conducted to ensure compliance with health and safety and COVID-19 regulations.
Compliance and legislation	Internal, external and International Organisation for Standardisation (ISO) audits were successfully conducted.
Socio-economic development (SED)	An SED plan was implemented, with a particular focus on education. The group met the requirement of spending 1% of net profit after tax on SED initiatives.
Stakeholder relationships	Due to COVID-19, the net promoter score was not measured in FY2021. Positive informal feedback was received from shareholders, customers and suppliers. The group maintained its Top Employer certification.
Teamwork	The exco team focused on executing the group's strategic and operational plans. The team also ensured the management of and compliance with COVID-19 regulations for the safety of all stakeholders. The employee climate survey was conducted and the target of 75% was met.

Chairman's review

Dr Anna Mokgokong

Jasco's 45th year was no less challenging than the preceding year, with the ongoing impact of the COVID-19 restrictions on the group's operations and market.

Introduction

During these challenging times, the board and executive team focussed on a number of pressing issues facing the group.

Please refer to the chief executive officer's review for more information on the progress made.

Executive changes

The former CEO, Pete da Silva, returned to the helm as interim chief executive officer (CEO) in June 2020 to assist the executive team at the height of the COVID-19 restrictions to return the group to a more stable footing.

Following the implementation of several corrective actions, the board was able to successfully implement the group's succession plan, with the appointment of a permanent CEO and chief financial officer (CFO) from within the group.

Warren Prinsloo was appointed as CEO from 1 March this year, following a 15-year tenure as the group's CFO. The board has every confidence in Warren's ability and his extensive knowledge of Jasco's operations. We look forward to continuing to support him in the execution of a focused strategy to improve the performance of the group.

Liska Prigge, a qualified chartered accountant, took over as the CFO from Warren. Liska has been a core member of Jasco's finance team since 2007. She was the group's finance executive for more than ten years and spent three years as the divisional financial director of Jasco Enterprise. She was part of the new divisional management team responsible for the turnaround of this business.

With the new leadership team in place and a restructured group, the team can now concentrate on organic growth of the product and solutions portfolio in what will continue to be a turbulent economic environment.

Addressing the group's financial position

Following the group's restructuring during the year, the board and management team have taken a number of key actions to address the group's financial position.

The board acknowledges the executive team's hard work to put these measures in place and thank our shareholders for their support.

Refer to pages 26 and 27 for more information.

Governance

The board continued its commitment to the maintenance of effective governance. During the year, we appointed a new company secretary to ensure a dedicated focus.

A detailed internal board and committee evaluation took place in September 2021, with the following recommendations made:

- A formal review of the performance of the board in relation to the objectives of the board charter
- A professional development programme
- A formal process to update directors on issues and trends affecting the organisation and related industries

An external review will be considered in FY2022.

As stated in last year's report, the board planned to appoint an additional independent non-executive director to strengthen the board. However, due to the constraints faced by the group, the nomination committee, in consultation with the board, agreed to postpone any further appointments until FY2022.

However, this did not negatively impact the balance of independence of the board and committees. There is an even spread of the committee workload across the non-executive directors. In addition, the majority of the audit and risk committee members are chartered accountants, with the requisite financial expertise and experience.

Key governance activities included the restructure of the transformation committee, with a revision of transformation goals and objectives and the appointment of Makwe Ngwato as the chairman of the transformation committee and as an executive member of the social and ethics committee. Refer to pages 46 and 47 for this committee's activities during the year.

The group improved its broad-based black economic empowerment (B-BBEE) rating to level 3 even after the cost pressures on spending in areas such as skills development and procurement.

It is also pleasing to note that Jasco has retained its status as a Top Employer, with a number of key support programmes put in place this year to assist our employees to manage the hardships brought about by COVID-19.

Looking forward

With the various corrective actions taken, the board is confident that Jasco can improve in the new financial year. The group and team have demonstrated resilience in dealing with a new way of working and surviving the challenges of the last few years. With the financial situation more stable, the team can continue to turn the group around.

As a board, our key focus areas for the coming year will be to:

- Manage the transformation goals we have set to maintain a level 3 B-BBEE rating
- Work with management to formulate a formal company policy in terms of vaccinations to ensure employees can return to their places of work
- Address the recommendations of the board evaluation

Appreciation

I wish to thank my board members for their contribution and support. Several members had to spend significant hours in excess of their normal duties on the board to address the critical actions required during the year. I really appreciate your dedication.

A huge thank you to Pete for stepping in at a crucial time and working with Warren and the executive team in taking decisive steps to restore the stability of the group. I want to particularly acknowledge Warren's willingness to take on the challenge of reviving Jasco's fortunes in difficult trading conditions.

Lastly, to our shareholders, old and new, thank you for supporting the planned capital raise and continuing to believe in the future success of Jasco.

Dr Anna Mokgokong
Chairman

31 December 2021

Chief executive officer's review

Warren Prinsloo

In ongoing tough market conditions, the group further refined its group structure and significantly reduced fixed overheads to ensure Jasco's successful turnaround. The team also focused on maintaining revenues at higher margins in the operational execution of the group's strategic plan.

Introduction

During the year, I worked closely with the interim CEO until March when I took over from Pete. Our priority was to continue to restore stability to the organisation and put Jasco back on a path of consistent profitability.

Addressing the group's sustainability

Management's primary objective is to reduce debt and overhead costs to achieve a more sustainable position.

Corrective actions during and subsequent to the financial year included:

Further restructuring and aggressive cost reduction

We significantly restructured our operational businesses during the first half of the year. The new structure came into effect from 1 November 2020.

I am pleased with the progress made so far, with R48 million cut from the cost base, as well as an operating structure that is aligned to the target markets and customers our businesses serve. Our relationships with our customers and our suppliers have been tested by the changes to the business environment, and in many instances the strength of our long-standing partnerships was demonstrated through our ability to successfully address these challenges.

Disposals and subsequent reduction in debt

Jasco disposed of the Reflex Solutions and Property Technology Management businesses, with the R78,6 million proceeds used to pay down borrowings and fund working capital demands across the group.

The extension of the group's borrowings and implementation of a capital raise

The board and management have restructured the group's borrowings with the Bank of China and approved a capital raise. These actions will fund future growth and improve the gearing ratio through further debt reduction.

Addressing the underperformance of businesses

The team focused on an improved gross margin mix and significant cost cutting to ensure the turnaround from losses last year to a profit in the majority of the businesses this year.

Our corrective actions resulted in earnings attributable to ordinary shareholders improving from a loss of R110,9 million in FY2020 to a profit of R6,5 million in FY2021.

Although the improvement in the group's operating profit is pleasing, it remains lower than the interest charge on borrowings, and further debt reduction is crucial.

Impact of COVID-19

As a management team, we continued to actively manage the impact of COVID-19 on our businesses and our teams. These impacts and management's response are best addressed at key business unit level due to the inherently different nature of the operations. Refer to pages 7 and 8 for information.

I want to commend our employees on the resilience in these challenging times and their efforts to ensure that customer satisfaction levels were maintained.

Our people remain our key stakeholders, with a continued emphasis on training and a focus on providing support structures in the changing work environment to ensure efficiency and productivity.

I acknowledge the group human resources team for the hard work during the year to support our people.

Strategy update

A careful review of the group's strategy was undertaken in light of the changing business environment and dynamic trading conditions in the markets that Jasco serves.

These actions, and the anticipated revenue growth off a much lower cost base, is expected to deliver positive results in FY2022.

The expected growth areas include higher demand for smart technologies (increasingly cloud-based) for application in the smart ecosystems, which encompass smart cities, smart businesses and smart buildings. Jasco's portfolio includes a range of products, services, infrastructure and applications to meet these requirements.

Please refer to pages 9 to 13 for information on our strategy.

Outlook and prospects

The economic outlook for the new financial year remains uncertain, with the South African government grappling with a number of challenges, including the ongoing COVID-19 impact, growing unemployment, with associated social unrest, and the continued Eskom crisis.

The most pressing issue for the group is to reduce its high debt levels. The team remains confident that our funding initiatives will be successful and that our stronger cash generation from operations and the systematic debt reduction will drive our turnaround.

With the ongoing support from our key shareholders, we will continue to focus on revitalising the organisation following an extended period of surviving the biggest economic slump South Africa has experienced in almost 50 years. This revival will be achieved by targeting niche growth sectors, which will be supported by the planned capital raise and lower gearing ratio, as outlined earlier.

Appreciation

I thank Pete da Silva who stepped back into the role of CEO in June last year before handing the reins over to me in March this year.

I would like to thank Dr. Anna and the board for entrusting the responsibility of leading the business to me and for their continued support to Jasco at a most critical time.

I also wish to acknowledge the efforts of Liska Prigge, our new CFO, for a mammoth effort with limited resources to close out the financial year-end.

Finally, I recognise the commitment and contributions to the group made by each and every one of our team members working under difficult circumstances.

Warren Prinsloo
Chief executive officer

31 December 2021

Chief financial officer's review

Liska Prigge

Our priority during the year was to return Jasco to profitability, create a more efficient cost base and address the group's funding constraints.

Introduction

My first few months as the new chief financial officer was spent focusing on reducing our debt levels and aligning our statutory structure with the new organisational structure.

Material issues

Securing funding

The material issue for the finance team was to address the group's financial position. This was successfully achieved, with the restructuring of the Bank of China working capital into a three-year term loan.

Reducing debt levels and the interest burden

During the year, interest-bearing debt was decreased from R200 million to R150 million following a R25 million repayment of the corporate bond and R15 million to the Bank of China with the proceeds from the sale of Reflex, as well as the normal servicing of the instalment sale agreements and lease liabilities.

Refer to page 32 for information on debt management.

The current gearing percentage remains unacceptably high at 318% due to the low equity base following impairments recorded in previous financial years. This is despite the decrease in the amounts due to the Bank of China's working capital term loan and the corporate bond.

The focus during the coming year will be to introduce a new commercial banking partner to replace the Bank of China's working capital loan.

The group is confident that debt levels will systematically reduce due to the sharp reduction in the cost base across the group and the anticipated improved profitability and continued cash generation.

Improving profitability of business units

With the exception of Security & Fire Safety, all business units achieved an improvement in profitability. Security & Fire Safety continued to be impacted by delays in their project execution due to COVID-19-related restrictions at customer sites. This improved post year-end following the easing of restrictions.

Working capital management

Management will continue its focus on working capital and maintain the high standards achieved in debtors' and inventory management.

Context to the results

The disposal transaction of Reflex was concluded in April 2021. In addition, the Property Technology Management (PTM) business within Intelligent Solutions was disposed of with effect from 1 May 2021. Consequently, the results of Reflex and PTM are separately disclosed as discontinued operations for the current and prior reporting periods.

The financial performance deals with the discontinued operations separately and is based on the new organisational structure implemented on 1 November 2020.

The new structure is:

Communication Solutions	Webb, Carrier Solutions, DataVoice and RAMM Technologies
Intelligent Solutions	Enterprise Communications, Broadcast, Hi Sites, Property Solutions, Co-location Solutions and Power Solutions
Security & Fire Safety	
Electrical Manufacturers	

Corporate actions

Disposal of Reflex

Jasco acquired its 51% interest in Reflex with effect from 1 May 2017. Due to growing demand for data services from its existing customers, Reflex required additional capital for its ongoing investment in its data centre and network infrastructure. To fund this requirement, the business implemented a rights issue of R10 million in September 2020.

Jasco did not follow its rights, but entered into a put option agreement to protect its rights in the investment.

The share subscription diluted Jasco's majority interest of 51% in Reflex to 47.7%, resulting in Jasco relinquishing control over the investment. This event gave rise to a profit on disposal of R2,2 million in Jasco in the current year.

Following the loss of control, Jasco still retained significant influence over Reflex, and the investment was accordingly reclassified as an investment in an associate and equity accounted until the date of disposal.

The profit on the loss of control reported in December 2020 was R12,9 million. The change in the reported profit is due to the increase in costs incurred of R0,2 million, as well as a change in the equity accounted income to R19,2 million compared to the original estimate of R8,4 million, following better than anticipated operating results from the associate.

Exercise of the put option

Jasco, Myriad Capital Communications Proprietary Limited (Myriad), and Reflex entered into a put option agreement, in terms of which Myriad granted Jasco an option, exercisable at Jasco's sole discretion, to require Myriad to purchase Jasco's entire Reflex shareholding for a transaction consideration of R72 857 143, plus a dividend of R3 233 000.

Jasco exercised its option in terms of the put option agreement on 5 October 2020. This transaction was approved at a shareholders' meeting on 21 April 2021, and the proceeds transferred to Jasco by 7 May 2021.

Disposal of PTM

PTM was a start-up business in 2013 when its founder, together with his consultancy company Wi-Cloud Proprietary Limited (Wi-Cloud), started consulting to Jasco.

To provide a turnkey solution to property owners, PTM was combined with Jasco to offer property management, design, planning, installation and the management of ICT infrastructure and converged solutions.

Unfortunately, the planned upselling of other Jasco products and services did not materialise in line with expectations.

The PTM business therefore increasingly became a non-core business unit, with pricing pressure from the major property companies in the current environment where their traditional gross lettable area rental income has been under pressure.

With effect from 1 May 2021, Jasco therefore sold its interest in the PTM business for R7,5 million.

The proceeds will be received as follows:

- R3 million by 7 June 2021. This was received
- R3 million within seven days of the closing date of the transaction. This was received in July 2021
- Three tranches of R500 000 each if the purchaser's revenue from 2022 to 2024 exceeds R7 million per annum

The disposal of the business resulted in a profit of R5,7 million after tax for this year.

New acquisition

Jasco Power Solutions acquired the business of XPertmeter for R500 000 with effect from 1 February 2021 to bolster the management team of Power Solutions and increase its product offering. The purchase price was allocated to goodwill. Due to the forecasted losses by the fledgling business for the 2022 financial year, it was decided to take a conservative approach and impair the goodwill at the June 2021 financial year-end. The acquisition added new technical and management skills to the Power Solutions team and expanded its product range.

Financial results

Statement of comprehensive income

Continuing operations

Revenue of R658,6 million (2020: R663,1 million) was 0.7% lower, mainly due to the continuing effect of COVID-19-related restrictions. The gross profit improved by 14.3% to R204,6 million (2020: R179,0 million), resulting in a gross margin of 31.1% (2020: 27.0%).

The revenue contribution by segment (excluding inter-company eliminations) was:

R'000	2021	2020	% change	% of total
Communication Solutions	221,653	207,560	+6.8%	33%
Intelligent Solutions	198,437	221,230	–10.3%	30%
Security & Fire Safety	44,034	62,543	–29.6%	7%
Electrical Manufacturers	200,307	181,677	+10.3%	30%

Operating profit improved by 106.6% to a profit of R5,5 million (2020: loss of R82,9 million), mainly due to the significant cost savings across the group, as well as the low base created in 2020 due to impairments of R22,1 million.

Net finance costs of R24,2 million declined from last year's R27,9 million, following the R15 million decrease in the Bank of China's working capital facility and the R25 million repayment of the corporate bond. The main contributors to finance costs were interest on the corporate bond and interest on the Bank of China's working capital facility, as well as the IFRS 16 interest impact of R9,8 million (2020: R12,7 million).

The taxation charge of R4,7 million compares to R5,3 million in 2020, which included the de-recognition of deferred taxation on assessed losses at subsidiary level. The effective tax rate is higher than the standard rate due to the increased level of non-deductible expenses, which result in a higher taxable income, as well as a change in a prior year estimated expense in RAMM Technologies of R0,8 million. The main item included in non-deductible expenses is the interest paid on the corporate bond.

The minorities' share of profits decreased from R166 000 to R36 000 due to the lower profits in RAMM Technologies.

Discontinued operations

The profit from the discontinued operations consists of the following:

R'000	2021	2020	% change
Profit after tax – Reflex	4,869	13,250	–63%
Profit on disposal after tax – Reflex	2,278	–	+100%
Equity accounted income – Reflex	19,184	–	+100%
Profit after tax – PTM	495	218	+127%
Profit on disposal after tax – PTM	5,669	–	+100%

The profit after tax contribution for Reflex in 2021 was only for a period of two months and 22 days.

The minorities' share of profits in Reflex therefore decreased to R2,6 million from the R8,1 million reported for 2020.

Earnings and headline earnings per share attributable to ordinary shareholders amounted to the following:

Cents per share	2021	2020
Earnings and diluted earnings per share	2,9	2,9
– From continuing operations	(10,4)	(51,8)
– From discontinued operations	13,3	2,4
Headline and diluted headline earnings (HEPS)	(0,6)	(43,0)
– From continuing operations	(10,4)	(49,0)
– From discontinued operations	9,8	6,0

The weighted average number of shares remained at 224,4 million shares.

The prior year's HEPS was restated to include the adjustment for the impairment of intangible assets that was erroneously excluded from the HEPS calculation in that year.

The difference between the earnings and headline earnings per share relates to the profit on disposal of Reflex and PTM, the impairment of the goodwill arising from the Xpertmeter acquisition in Jasco Power Solutions, as well as an after-tax profit on disposal of fixed assets of R371 000.

Statement of cash flows

The group was able to achieve a net increase in cash and cash equivalents of R2,4 million (2020: decrease of R47,3 million).

Cash generated from operations (continuing and discontinued) reflected an inflow of R18,9 million (2020: R37,9 million) and was offset by net interest payments of R24,6 million (2020: R31,2 million) and income tax of R7,6 million (2020: R10,9 million). This resulted in a net cash outflow from operating activities of R13,3 million (2020: R7,4 million).

The cash inflow from investing activities mainly related to the dividend received from Reflex (R3,2 million) and the proceeds on the disposal of Reflex and PTM (R70,7 million). R40 million of the cash was utilised to repay R15 million to the Bank of China and R25 million of the corporate bond.

Other significant investing and financing cash flows relate to the repayment on finance leases of R14,4 million and additions to fixed assets of R4,6 million. These were offset against proceeds on the disposal of fixed assets of R1,1 million, and the continued repayments on the loan granted to an Enterprise customer (R3,3 million) in FY2018.

Significant balance sheet items

Goodwill

Goodwill decreased from R71,8 million in FY2020 to R41,4 million in FY2021 due to the disposal of Reflex.

R'000	**2021**	2020
Carriers	**32,370**	32,370
RAMM Technologies	**8,374**	8,374
Electrical Manufacturers	**611**	611
Reflex	**–**	30,475

At the reporting date, the goodwill was tested for impairment. The cash flow projections, prepared from financial budgets approved by the board of directors, covering a five-year period, are discounted to the present value, using pre-tax discount rates appropriate to the cash-generating unit the asset belongs to of 17.94% except in RAMM Technologies where 19.95% is used due to the dependency on its major customer. Revenue growth assumptions after the first year was based on an inflationary increase. A long-term growth rate of 0.8% was assumed into perpetuity.

Both revenue growth rates and long-term growth rates are based on conservative targets. The PBIT margins used in the value-in-use calculations are Carriers (33.7%), RAMM Technologies (12.6%), and Electrical Manufacturers (3.3%). Management believes that the most notable possible change in any of the key assumptions would result from a change to the discount rate. The second most sensitive assumption is the long-term growth rate and the third assumption is a change to the free cash flow projections. A reasonable possible change in any of the key assumptions would not result in the carrying amount of any of the cash-generating units exceeding their recoverable amounts.

Based on this assessment, no impairment of these goodwill balances was required.

Deferred taxation assets and liabilities

The net deferred taxation balance consists of the following:

R'000	**2021**	2020
Deferred tax asset	**18,256**	21,981
Deferred tax liability	**(1,183)**	(2,321)
Net deferred tax asset	**17,073**	19,660

The balance consists of the following items:

R'000	**2021**	2020
Amortisation of intangibles	**(5,916)**	(9,318)
Income received in advance	**13,007**	12,416
Section 24C allowance	**(6,336)**	3,987)
Accelerated depreciation	**(1,117)**	(75)
Capitalised costs	**261**	443
Contingent consideration	**(293)**	–
Deferred gains and losses on foreign currency contracts	**(94)**	7
Deferred lease payments and income	**(208)**	(130)
Impairment of receivables	**452**	462
Lease agreements	**7,178**	6,452
Prepayments	**(2,131)**	(4,456)
Provisions	**3,183**	7,897
Retentions	**(572)**	(300)
Taxation losses	**9,659**	10,249
	17,073	19,660

The group maintained its conservative view and only recognised a deferred tax asset on calculated tax losses if they are considered to be recoverable in the foreseeable future (two to three years). It has unutilised tax losses of R182 million, for which an asset has not been recognised.

Sources of funding

The group's funding is obtained from the following sources:

R'000	**2021**	2020 (excl Reflex liabilities)	2020
Equity holders of the parent	30,421	25,893	25,893
Non-controlling interests	11,186	11,186	33,733
Total shareholders' equity	**41,607**	**37,079**	**59,626**
Lease liabilities (related to right-of-use assets)			
– Non-current	58,501	69,815	110,871
– Current	19,063	18,905	26,280
Instalment sale agreements (asset financing)			
– Non-current	205	1,018	6,218
– Current	784	1,077	7,704
Corporate bond – current	20,197	45,250	45,250
Bank of China working capital loan – current	131,038	145,675	145,675
Insurance payment plan – current	808	859	859
Bank overdrafts	592	522	3,532
Total borrowings	**231,188**	**283,121**	**346,389**
Cash and cash equivalents	20,964	20,854	21,326
Borrowings net of cash	**210,224**	**262,267**	**325,063**
Borrowings net of cash (excl lease liabilities)	132,660	173,547	187,912
Debt: equity ratio	505.3%	439.9%	545.2%
Debt: equity ratio (excl lease liabilities)	318.8%	291.1%	315.2%

The decrease in debt was as a result of the R25 million repayment of the corporate bond and R15 million to the Bank of China with the proceeds from the sale of Reflex, as well as the normal servicing of the instalment sale agreements and lease liabilities.

The group has a targeted debt:equity ratio of 1:1 (excluding lease liabilities) and has implemented the following actions subsequent to year-end to improve the ratio:

- Approved a rights issue to the value of R55 million, which is approximately 80% underwritten by the majority shareholder, of which R20 million will be used to repay the corporate bond and a maximum of R20 million to reduce the loan from the Bank of China

Following the rights issue, the debt:equity (excluding leases) ratio is expected to improve to 97.9%.

Subsequent to year-end the Bank of China working capital loan has been restructured into a term loan over 36 months, for a fee of 0,5% of the facility. The interest rate will increase by 1,5%. A minimum of R10 million will be settled from the proceeds of the planned rights offer, and the balance will be repaid monthly from January 2022 until December 2024. A guarantee of R20 million has been issued by Golden Pond Trading 175 (Pty) Limited that will expire after the R10 million is settled from the rights offer.

Litigation, claims and other contingencies

As reported before, the investigation by the Competition Commission into Jasco Security & Fire Solutions (Pty) Limited, several other fire installation companies, and the Automatic Sprinkler Inspection Bureau (ASIB), continues.

The period under investigation dates back to before Jasco's ownership of the company. The former owner has been cooperating with our attorneys in defending the matter. The Commission is investigating whether the installation companies competed with ASIB in the provision of inspection and accreditation services. The potential penalty was 10% of revenue in the year that the Commission commenced the investigation (estimated at R3,5 million). Jasco offered a settlement to the value of R300 000, without an admission of guilt, to reduce costs and expedite the conclusion of the matter. This was accepted by the Commission on 7 September 2021.

Solvency, liquidity and going concern

At 30 June 2021, the group had accumulated losses of R252,2 million (2020: R257,2 million), with the group reporting a profit of R6,5 million (2020: loss of R110,9 million).

The group's current liabilities exceed its current assets by R78,1 million (2020: R145,9 million). In addition, the group breached its debt covenants. This resulted in the loans to be recorded as current liabilities. These events and conditions cast doubt on the group's ability to continue as a going concern.

Based on the forecast cash flows from the operations for the next 12 months, combined with the planned rights offer and the restructured loan from the Bank of China, the board and management believe that the group will be a going concern in the year ahead.

Auditors emphasis of matter

Material uncertainty related to going concern

We draw your attention to the consolidated and separate financial statements, which indicates that the group reported a retained loss of R252m (2020: R257m) and that the company reported a retained loss of R235 million (2020: R276 million) for the year ended 30 June 2021 and also, as of that date, that the group and company's current liabilities exceeded its current assets by R78 million (2020: R146 million) and R39,1 million (2020: R109,9 million) respectively.

Subsequent to the year end the company entered into an agreement subject to Pre and Post conditions to restructure the existing working capital facility into a Term Loan Facility of R130m with the Bank of China.

These events or conditions, along with other matters as set forth in note 35 of the annual financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Dividend proposal

A dividend is not proposed due to the group's current financial position.

Appreciation

My sincere thanks to my colleagues and the board for their support during my first few months as the CFO of Jasco. A special thank you to the small, but very dedicated, financial team who have worked tirelessly to deliver on the group's financial reporting requirements.

Liska Prigge
CFO

31 December 2021

Operational reviews

Communication Solutions

Results overview

Revenue

R221,7m

↑ 6.8%

(2020: R207,6 million)

This was an acceptable result considering the effects of the COVID-19 pandemic and the significant loss of revenue during the previous financial year's fourth quarter during stringent levels of lockdown.

Following the increase in spend by a key telecommunications customer in the second half of the year and the targeting of higher-margin business, the gross margin improved from last year. The overheads were reduced significantly through headcount reductions during the restructure.

Operating profit

R8,4m

3.8% margin

This improved from last year's loss of R25,0 million, with a margin of -12.8%, and represents a pleasing turnaround.

Outlook

The outlook for Webb is positive. Growth is expected from spend by the Tier 1 and Tier 2 telecommunications operators in Southern Africa as the expected 5G and FTTx* rollouts gain momentum and specialised antennae demand increases in European and UK export markets.

A new regional Tier 2 telecommunications customer was secured during the last quarter of FY2021, with the technology roll out to be implemented over an 18-month period.

The outlook for DataVoice has improved, with new international markets targeted for new software applications developed for two-way radio networks and cloud-based subscription services. These include speech analytics for the contact centre market and workforce optimisation.

The outlook for RAMM is encouraging, with new corporate clients being targeted in the logistics, packaging and medical sectors for the provision of asset monitoring, measurement and management services. Continuing investment in its hardware and software IT platforms is planned for the coming year to diversify the customer base.

*   *fibre to the x (home/office/building/etc.)*

Intelligent Solutions

Results overview

Revenue

R198,4m

↓ 10.3%

(2020: R221,2 million)

The decline in revenue was due to the lack of large projects in the contact centres and broadcast lines of business following economic pressure on the customer base. The uptake of the cloud-based contact centre offering was slower than expected, but improved during the second half, with new orders received.

The gross margin improved from last year on a change in the customer profile. The overheads were reduced significantly on lower headcount following the restructure.

Operating profit

R24,5m

12.4% margin

This improved substantially from last year's breakeven position of R0,2 million, with a margin of 0.1%.

Outlook

The outlook for the contact centres is positive, with growing demand for cloud-based contact centres and unified communications due to customers' increased remote working conditions.

The business has modified its selling approach to progress to a business solutions provider and not only a technology provider. The team is increasingly offering business consulting services that allow customers to optimise the use of business tools.

The outlook for the broadcast business is improving, as a number of delayed capital projects at major customers are now becoming more urgent. The product portfolio is being modernised to include cloud solutions for online video streaming and was expanded to include outdoor digital media solutions.

The annuity base of Hi Sites will grow at the average escalation rates in the lease agreements. The team is evaluating a potential joint venture to fund the expansion of the portfolio, with a particular focus on rooftops for small cell coverage through the property solutions offering.

The outlook for the Co-locations business is uncertain, as the contract with its major customer in Namibia ends in early 2022.

The outlook for Power Solutions is improving, with the addition of new management resources and the introduction of new original equipment manufacturer suppliers. This broadened the product and services offering and allowed the team to secure orders from three new customers in June.

Security & Fire Safety

Results overview

Revenue

R44,0m

↓ 29,6%

(2020: R62,2 million)

The decline in revenue was due to delays in project execution caused by the inability to access client sites following COVID-19 restrictions and cash constraints.

The gross margin declined from last year due to a lack of higher-margin projects. The overheads were contained and decreased by 6.5% on reduced headcount.

Operating profit/(loss)

(R7,7m)

(2020: (R3,9 million))

The increase in the operating loss is due to the decrease in revenue and is a very disappointing result.

Outlook

The business ended the year with a strong order book, which bodes well for the first half of the new financial year. However, the lack of technical resources and cash constraints remains a risk to the execution of these projects.

The business has historically been a systems integrator with a large complement of technical personnel. However, in the last two years we have sub-contracted a greater number of technical resources to reduce the fixed cost base.

To address this, the team is focusing on improved project management and careful working capital planning.

Electrical Manufacturers

Results overview

Revenue

R200,3m

↑ 10.3%

(2020: R181,7 million)

The increase in revenue was an acceptable result during the COVID-19 pandemic and the significant loss of revenue during the previous financial year's fourth quarter.

Gross margin improved from last year following the securing of additional customers. Although the overheads increased by 6.6%, it remains the lowest cost business in the group, as management continued with strict cost containment measures.

Operating profit

R8,0m

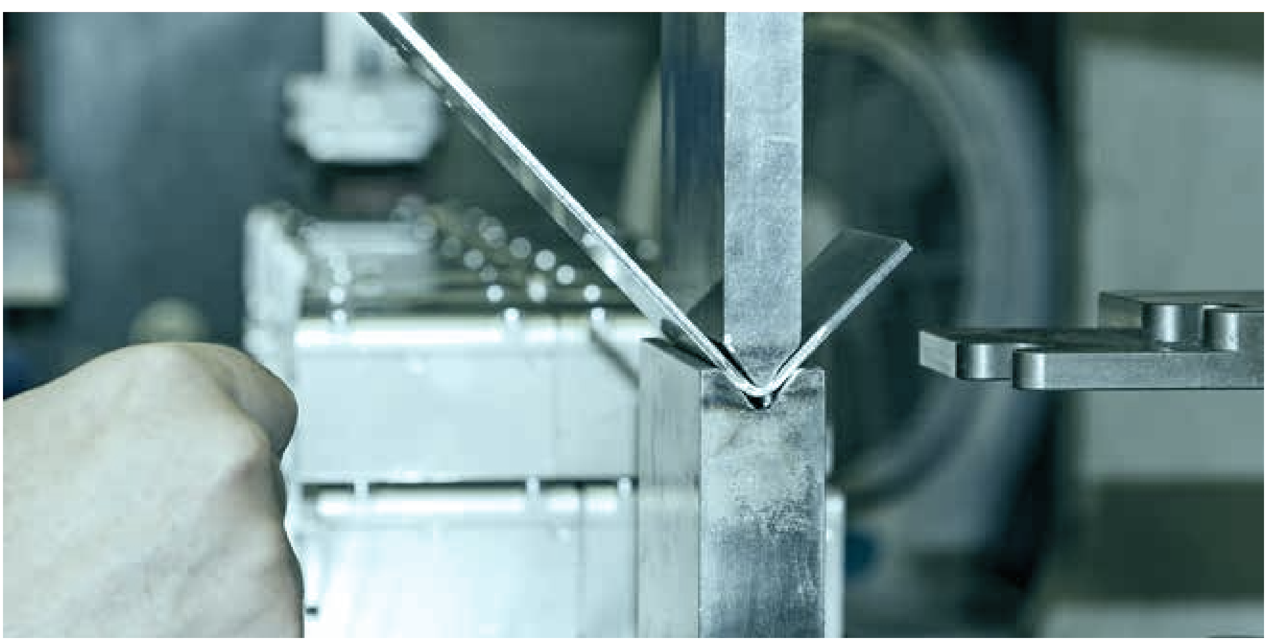
4.0% margin

Operating profit improved from last year's R5,1 million, with a margin of 2.8%.

Outlook

The team will continue to implement its customer and product diversification strategy by focusing on small to medium companies that will provide volume at improved margins.

Further cost-saving will be achieved through the optimisation of operational structures to reduce input costs and overheads and improve profitability, as well as from more cost-effective long-term supply contracts. The business will also remain focused on extracting efficiencies and electricity savings through an energy-efficient machine replacement policy.



Remuneration committee chairman's review

Shaheen Bawa

As a remuneration committee, we worked closely with the board and the human resources team to identify the best way to continue supporting our employees while managing the pressure on our finances.

Introduction

The impact of COVID-19 continued to challenge the country and the group.

Jasco unfortunately had to implement salary deferments across the group in the early part of FY2021. The group also had to review its operational requirements during FY2021, which resulted in some reductions of salaries in certain business units and 13 retrenchments.

At the last AGM, held on 19 January 2021, shareholders voted as follows:

	Votes in favour
Remuneration policy	99.9%
Remuneration implementation	99.9%

Key focus areas during FY2021

1. Impact of COVID-19

We had to review our remuneration in the tough market conditions, with a number of actions taken. These included a freeze on salary increases to prevent wide-scale retrenchments and salary deferments early in FY2021. The group managed to limit retrenchments to only a few employees and paid back the deferred salaries before the end of the financial year.

2. Short- and long-term incentives

Short-term incentive reviews

Following the appointment of a new group CEO and CFO, short-term incentives were reviewed and key performance areas (KPAs) set. Refer to pages 22 and 23 for these, as well as the KPAs of the exco team.

Long-term incentive reviews

The remuneration committee reviewed the most appropriate incentives, with a specific evaluation of the Jasco Share Incentive Trust Scheme. As outlined on page 43, as this has not met expectations, it was decided in FY2020 to terminate this scheme.

3. Review of benefits

The committee reviewed the group's benefit schemes and evaluated current brokers and advisors within the market to ensure optimal costs and returns to beneficiaries. The group offers life, disability, severe illness, spousal life, trauma, educational and funeral benefits, as well as a retirement fund.

Advice sought

During the year, the committee consulted the following firms for advice:

Willis Towers Watson (Previously known as PE Corporate Survey), Shepstone Wylie Attorneys, Rashaad Sujee Legal and Webber Wentzel.

The committee considered their advice for the group's total salary increase and incentive payments, and recommendations on awards for the senior management.

Voting at AGM

As required by King IV, the remuneration policy and implementation report will be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM. We encourage shareholders to provide feedback on the various voting requirements. We commit to ongoing interaction with shareholders to discuss issues of concern and areas for improvement.

Key focus areas for FY2022

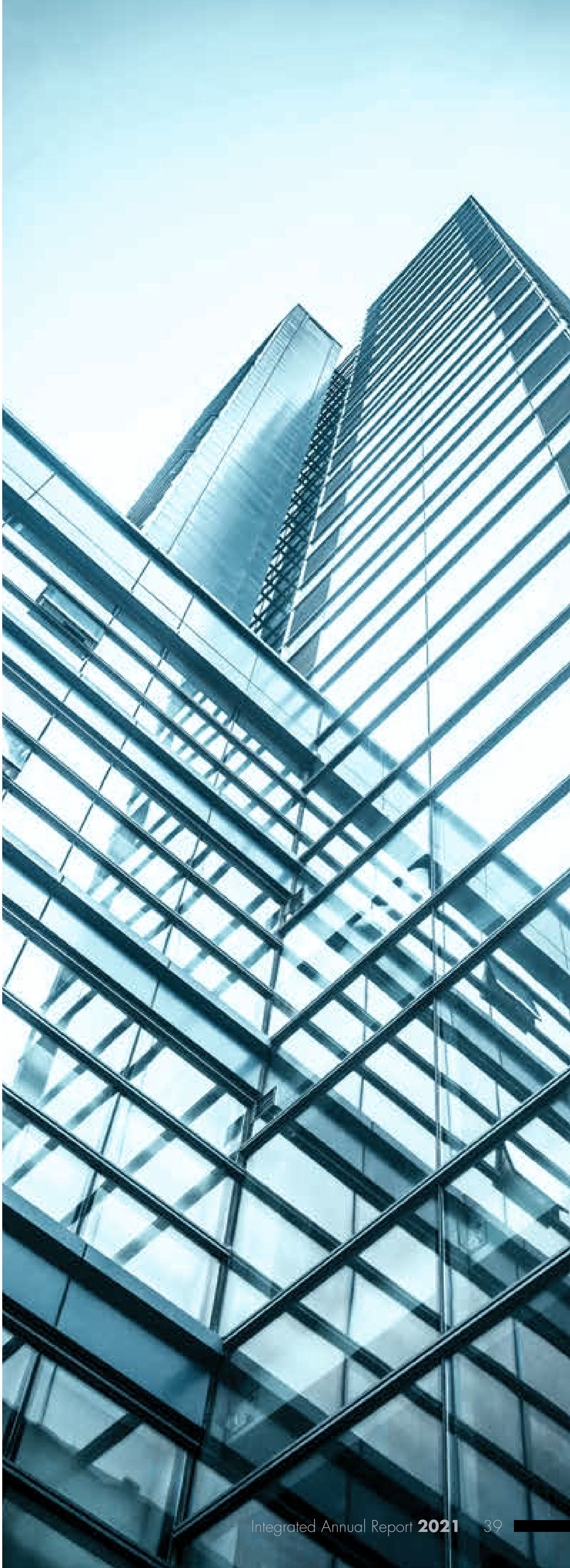
- Refinement of key performance areas and alignment to business strategy and financial performance.
- Tracking executive team performance against key performance areas.
- Balancing retention of employees with fair and responsible remuneration practices.
- Working with the team on the effective management of the continued impact of the pandemic on working practices.
- Implementation of the succession planning policy.
- Filling of critical vacancies at the senior management level.

Appreciation

I extend my appreciation to my fellow remuneration committee members and the human resources team for their valuable support and input during this year.

Shaheen Bawa

31 December 2021



Remuneration report

This remuneration review is structured around three sections.

Section 1: Background statement

The remuneration committee consists of three non-executive members:

- Shaheen Bawa, chairman
- Pumla Radebe, member
- Joe Madungandaba, member

The CEO, CFO and group executive: human resources attend the respective meetings by invitation from the chairman.

The remuneration committee (the committee) assists the board to set the remuneration policies for the group, as well as the remuneration of executive committee (exco) members, prescribed officers and senior employees.

The committee issues the mandate for the annual guaranteed remuneration (cost-to-company) review. The committee also advises the main board of directors and makes recommendations to shareholders on fees for non-executive directors.

The committee meets at least twice a year and as is required to make recommendations relating to the remuneration of executive committee members, non-executive directors and senior employees.

Focus of the committee

The committee acts in line with board-approved terms of reference to assist in:

- Setting and reviewing the remuneration policy of the group
- The annual review and approval of the executive directors' remuneration packages, the group's remuneration review for employees, as well as the determination and approval of annual bonuses, performance-based incentives and long-term incentive schemes
- Reviewing the ongoing appropriateness and relevance of the executive remuneration policy, other executive benefits and long-term incentive or retention programmes
- Approving management's recommendations for the average annual increase of employees
- Making recommendations to the board on the remuneration of non-executive directors

Section 2: Remuneration policies and principles for the shareholders' vote at the AGM in February 2022

Jasco's remuneration policy aims to attract, retain and motivate skilled and performing employees to execute the group's strategy.

Remuneration committee

The remuneration committee is appointed by the board of directors. The role of the committee is to provide guidance and support to the board in fulfilling its responsibilities to shareholders, employees and other stakeholders by appropriately and equitably compensating employees and management for their services to the group, as well as motivating them to perform to the best of their abilities in the interest of all stakeholders.

The committee also ensures objectivity in determining remuneration in the interest of shareholders.

The remuneration committee's responsibilities are to:

- determine, agree and review the remuneration policy and framework of the group with the board
- determine and agree the total remuneration package of the chief executive officer and chief financial officer and any other executive director
- review the ongoing appropriateness and relevance of the remuneration policy in terms of its ability to attract and retain scarce and critical skilled candidates for employment. This includes the review of company benefit structures, such as retirement and healthcare plans
- make recommendations to the board and shareholders on the remuneration of non-executive directors
- make recommendations regarding performance measures for executive directors
- review the design of all share incentive plans for approval by the board and shareholders and determine whether awards will be made. If awards are made, the committee also has to determine the overall amount of these awards, the individual awards to executive directors and other senior executives, as well as the performance targets to be used
- set guidelines for the annual increase cycle for the remuneration of all employees
- ensure compliance with applicable laws, codes and JSE Listings Requirements

Remuneration and reward policy

Jasco's remuneration policy aims to attract talent and critical skills in a very competitive skills market. The group aims to retain key employees who improve business performance and output, as well as service delivery to our customers.

The remuneration policy and strategy are designed to motivate individual and team performance, as we support a fair, equitable and competitive reward strategy to ensure maintaining our Top Employer certification.

Jasco believes that the remuneration and reward of our employees are both human resources and business matters, as they affect our ability to attract and retain high-calibre employees. It also influences our operational efficiency, company culture, employee behaviour and ultimately the profitability and sustainability of the business.

Jasco aligns the objectives of incentives with the organisation's performance-driven culture, business targets and strategic objectives. Remuneration as a management process is fully integrated with other human resources processes, including performance and talent management.

Our philosophy is to structure remuneration to ensure a fair and equitable level of remuneration for all employees.

Through the various components of remuneration, we encourage high levels of team and individual performance that are aligned with our strategic direction and values.

We aim to position guaranteed remuneration at the median of the market, with superior performance at stretch levels, enabling management, including executives, to achieve remuneration levels in excess of median levels, where truly deserved.

Elements of remuneration and reward

Employees' compensation is structured to encourage good performance, sound behaviour and risk management that is aligned with the group's strategy. Compensation is based on experience, skills, complexities and performance, and promotes long-term commitment to creating and sustaining value. The group's remuneration packages are split into guaranteed and non-guaranteed pay. Guaranteed remuneration is based on cost-to-company remuneration packages. Non-guaranteed remuneration is defined as short-term and long-term incentives, as well as retention scheme payments.

Key principles underpinning our remuneration policy and processes:

- A critical success factor for us is our ability to attract, retain and motivate the talent required to achieve operational and strategic objectives. Remuneration policies are aligned to the agreed business strategy and are regularly reviewed to ensure continued alignment
- Our remuneration policies aim to be transparent and understandable, both for stakeholders and for internal use and application
- Remuneration policies are equitable and balance internal equity (all employees being fairly rewarded for their roles) and external equity (all employees being fairly rewarded in terms of the market)
- Remuneration policies promote risk management and adequately balance risk and reward
- Remuneration payments are made within the context of our financial performance

Elements of remuneration

The table outlines the key elements of the remuneration packages paid to all employees, including executive directors.

Reward element	Instrument	Objectives	Characteristics	Participants
Guaranteed pay – including benefits	• Cost-to-company remuneration • Retirement fund • Risk benefits, including group life, income protection and funeral cover • Leave benefits • Employee wellness and assistance programme	• Attraction and retention • Reward individual performance • Drive long-term strategic objectives and targets • Competitiveness and market-related benchmarks	• Fixed • Benchmarked to the median of the industry and market.	• All permanent salaried employees
Short-term incentives	• Annual incentives	• Attraction and retention • Reward individual performance • Drive long-term strategic objectives and targets	• Non-guaranteed • Variable • 8% to 25% of cost-to-company	• All permanent salaried employees
Long-term incentives	• Annual incentives	• Drive long-term strategic objectives and targets • Retention of key and critical employees • Reward individual and group performance	• Variable • 20% to 30% of cost-to-company	• Key executives
Retention scheme payments	• Annual incentives	• Retention of key and critical employees	• Based on a value determined by guaranteed remuneration	• High-performing employees who fulfil key and critical roles and performing employees in scarce skills roles

1. Guaranteed remuneration, including benefits

Guaranteed remuneration is managed on a cost-to-company basis, with flexibility in the selection of benefits within the scope and rules of our retirement fund, such as risk benefits.

We offer a comprehensive benefit cover to all permanent employees in entities in which Jasco holds 100% equity. These benefits include retirement funds, life, severe illness benefit, disability, trauma, child education protection and funeral policies. Participation in the group's retirement fund, life, disability and funeral cover is compulsory for all permanent salaried employees who fall outside the jurisdiction of bargaining councils.

Our guaranteed remuneration is competitive relative to the market. We benchmark against the market median, with remuneration levels reviewed at least once a year.

The group ensures that its remuneration practices and policies are compliant with legislation. We review our policies and practices on an annual basis to only allow justifiable differences and to remove any newly-identified inappropriate differences.

Internal parity is promoted and remuneration differentiation between employees is based on criteria that are fair and objective.

The group's job evaluation system allows for differentiation in scope, areas of responsibility and fields of expertise. Increases in guaranteed pay for employees are based on a review of market data, consideration of the individual performance and potential, complexity of the role and/or skills, as well as the business priorities of the group.

Increases for salaried employees are reviewed during January of each year. Increases for wage-based employees are in accordance with the sectoral determinations, as set by the Department of Labour, or the regulations of the Metal and Engineering Industries Bargaining Council.

2. Short-term incentives

Short-term incentives depend on the company's performance. It is generally paid on an annual basis and is based on the achievement of key performance areas (KPAs). KPAs are set annually and are designed to drive both financial and non-financial strategic targets and objectives. The KPAs of executives include financial indicators such as revenue, profit before interest and tax, earnings per share and return on assets managed, as well as strategic indicators such as the roll-out and implementation of company strategy and objectives. Refer to pages 22 and 23 for KPAs of the CEO, CFO and the executive committee members.

Executive performance measures for short-term incentives

Financial measures	
Revenue	All executives
Profit before interest and tax	All executives
Earnings per share	All group executives
Return on assets managed	Financial executives
Strategic measures	
Delivery on company strategy	Set individually for each executive
Other measures	Special projects or job-specific requirements within a financial year

KPAs are cascaded down from senior levels through the organisation to ensure strategic alignment.

Short-term incentives are in place for all permanent salaried employees and are based on the achievement of KPAs, with appropriately set targets which are measured on an annual basis. These include financial indicators, as well as job-specific KPAs, such as leadership, customer satisfaction, learning and development, technical competencies and timeous delivery on objectives.

3. Long-term incentives

As previously reported, the board has decided to wind down the Jasco Share Incentive Trust once all options have lapsed and the shares have been withdrawn, as the cost of the scheme to the group outweighs the benefits on an after-tax basis. As at 30 June 2021, the final participants' share options lapsed and the remuneration committee will evaluate the optimal timeframe to wind down the Trust.

In addition to the current long-term share scheme, as the business units in our different verticals are diversified, the group has a phantom share scheme. This share scheme rewards participants for the growth in the value of the business units in which they operate over a two- to four-year period. The last participant exited this scheme at 30 June 2021. The remuneration committee will review this scheme and make recommendations to the board on the approach going forward.

No retention scheme payments were considered or offered to key employees during the year due to the impact of the pandemic.

When retention scheme participation takes place, employees are offered a retention value equivalent to approximately one month's remuneration for a minimum of a 12-month retention period and a maximum of a 36-month retention. This payment is made in advance and the employee signs a retention agreement for a 12-, 24- or 36-months. Each 12 months will include one month's remuneration as a retention payment, paid in advance over the contract period.

Should the employee leave the group prior to the retention period being completed, the full value of the retention value becomes due and payable to the company. This may include interest.

Non-executive directors

Non-executive directors are paid a fixed fee, which is determined by the extent of their participation in sub-committees. The fees payable to non-executive directors are reviewed by the remuneration committee and approved by shareholders at the annual general meeting each year.

Contracts of employment

Permanent employees have employment contracts that comply with the labour law requirements of the country of employment. During the year under review, the group also ensured the compliance with the Protection of Personal Information Act. The group has included all relevant compliance clauses within our standard employment and contract terms. All employees have a retirement age of 65, which we believe is reflective of working conditions and market benchmarking at senior and executive levels.

Notice periods of employees

Employees	1 to 2 months
Business unit management	2 to 3 months
Executive management	3 months
CEO and CFO	6 months

Section 3: Application of the remuneration policy

Remuneration for the year

1. Guaranteed remuneration, including benefits

Against challenging market and economic conditions in South Africa, the group postponed the remuneration review to January 2022. No salary increases were therefore implemented, besides carefully considered promotional increases in a phased approach.

For our employees within the Metal and Engineering Industries Bargaining Council (MEIBC), the July 2020 increase cycle was extended, subject to the finalisation of wage negotiations.

2. Short-term incentives

During the year, the group's earnings and profitability did not meet the expected level. Accordingly, no short-term performance-based incentives were paid to group executives.

To qualify for short-term incentives, each individual business unit must meet certain minimum financial performance criteria. Due to the current economic and market conditions, one of the business units have met the minimum criteria in FY2021, which the remuneration committee considered and recommended to the board for approval.

3. Long-term incentives

As previously reported, the share-based incentive scheme was reviewed and the board determined that the cost to the company far outweighed the benefits to the participants on an after-tax basis. No further allocations were made in FY2021 and the existing scheme will be wound down.

Remuneration breakdown

Executive directors

The table below depicts the remuneration earned by the CEO and CFO during FY2021:

Rand	Short-term guaranteed	Short-term incentive payment	Long-term share-based payment	Total
AMF da Silva (until 28 February 2021)	560,000	–	–	560,000
WA Prinsloo (appointed 1 March 2021 as CEO) (previously held CFO position within group)*	2,888,140	–	–	2,888,140
LA Prigge (appointed 1 March 2021)	540,081	–	–	540,081
Total	3,988,221	–	–	3,988,221

* *Remuneration includes leave pay.*

The table below reflects a summary of the shares issued. Only the current CEO (previous CFO) remained as beneficiary during the period.

Participant	Nature	Issue date	Lapse date	Number of shares issued	Number outstanding	Exercise price
WA Prinsloo	Shares	13 June 2016	N/A*	834 881	834 881	81 cents
	Shares	2 June 2015		3 253 830	1 626 915	55 cents
	Shares	5 February 2014		750 000	187 500	72 cents

* *Not applicable as no lapse date applies to shares issued – only options.*

Non-executive directors

The table below depicts the remuneration of the non-executive directors for the current year, as well as the proposed fees for the 2022 calendar year. An increase of 3% is proposed after the board had elected to forfeit an increase in the 2021 calendar year.

Name	Role	2021 Financial year Rand	2021 Calendar year Rand	Proposed 2022 Calendar year Rand
Dr ATM Mokgokong	Chairman of the board	490,945	503,533	518,639
MJ Madungandaba	Deputy chairman of the board	476,674	488,896	503,563
DH du Plessis	Audit and risk committee chairman	376,698	386,634	398,233
MSC Bawa	Remuneration committee chairman	369,970	379,456	390,840
PF Radebe	Social and ethics committee chairman	379,455	379,456	390,840
TP Zondi	Member of a subcommittee	293,723	293,723	302,535
Total		2,387,734	2,431,698	2,504,650

Social and ethics committee chairman's review

Pumla Radebe

The committee considered several aspects this year, including employment and working conditions, and social and environmental conditions, as mandated by its charter.

Role and function

The board approved the committee's updated charter, including its roles and responsibilities, after a comprehensive review this year. To support the management of the committee's complex work streams, an annual work plan was implemented.

The work plan assists the committee to monitor the group according to legislation, regulations, codes of good practice relating to corporate citizenship, organisational ethics and stakeholder engagement. Our policies and processes are guided by the requirements of King IV™ to ensure that the rights of stakeholders are respected.

Committee composition

The committee complied with the JSE Listings Requirements composition requirements, the South African Companies Act, No. 71 of 2008 (the Companies Act), and King IV™ recommendations.

The board appoints committee members on the recommendation of the nominations committee. The committee comprises a majority of independent non-executive directors and is led by an independent chairman. At year-end, the following directors were members of the committee:

- Ms PF Radebe – Independent non-executive director (chairman)
- Mr MSC Bawa – Independent non-executive director
- Mr MD Ngwato – Group executive: marketing and communications. He was appointed to the committee in November 2020.

Compliance

The committee is satisfied that there were no material instances of non-compliance with legislation or non-adherence to codes of good practice in terms of the areas within its mandate. The committee is also satisfied that it has considered and discharged its responsibilities in terms of its mandate and terms of reference, as stipulated in King IV, the JSE Listings Requirements and the Companies Act.

The committee also provided oversight in accordance with paragraph 7.F.6 of the JSE Listings Requirements dealing with compliance with the laws governing its establishment and Jasco's memorandum of incorporation.

In line with its terms of reference, the committee is satisfied that Jasco has implemented the required frameworks, systems and policies to ensure adherence to all required regulations.

Performance

The committee's performance was assessed by the nominations committee and the board. An independent evaluation is under way to objectively assess the functioning of the committee.

Ethics

In line with the recommendations of the King IV report, the committee supports the board with the governance of ethics. Jasco continued with the review and enforcement of its corporate compliance programme during the year, with the appointment of new executive managers.

The programme ensures that all directors and employees comply with regulations, laws and ethics requirements. Potential corruption risks at customers, suppliers, business units, subsidiaries and within the employee base are monitored and used as a basis for developing the appropriate measures to reduce these risks. There were no material instances of non-compliance reported to the committee during the year under review.

The committee provided oversight on compliance with the Employment Equity, Act 55 of 1998, as amended. Jasco has reviewed and submitted its employment equity reports in line with the legislation defined in the Employment Equity Act.

A new whistleblowing service was launched in January 2021. Reports can be emailed to fraud.hotline@jasco.co.za. Notifications or incidents are reported to the committee and the audit and risk committee.

Activities in FY2021

COVID-19 impact

Detailed reports were reviewed on COVID-19 and its impact on the business and employees.

Since the start of the pandemic, 76 Jasco employees tested positive for COVID-19. During the third wave and up to the end of September 2021, 35 employees tested positive. Unfortunately one employee lost her life to COVID-19.

The group human resources team extended support to employees and families of employees through the group's wellness programme.

Energy management

Jasco has developed an energy management strategy through direct energy saving initiatives and investment in its power and renewable energy business unit.

The group's Midrand PV installation generates an average capacity of 9 521 kilowatt hour (kWh) per month, significantly reducing Jasco's dependency on the national grid. During the financial year, we achieved savings of R191 015. This is equivalent to 182 014 kilometres driven by an average passenger vehicle each year or the equivalent of 3 047 urban trees planted.

Transformation

Transformation remains a priority, with short- and long-term key performance incentives of directors directly linked to the group's progress against its transformation targets. A transformation committee was established last year to project manage Jasco's B-BBEE verification process. The B-BBEE scorecards and progress against short- and medium-term targets are tracked across all business units.

In a challenging year, Jasco successfully improved its B-BBEE status to level 3.

Ownership

Jasco scored 56,98% on black ownership, with 36,32% black women ownership.

Procurement recognition level

Jasco attained a procurement recognition level of 100%, which is considered fully compliant and attractive in terms of procuring goods and services.

Skills development

Jasco invested R2,2 million in skills development. The group met the sub-minimum requirement for skills development in its last B-BBEE certification.

Representation by black and black female employees across all levels of the group, including skilled and unskilled employees, are monitored and reported on.

Jasco retained its Top Employer accreditation in FY2021.

Socio-economic development

The board has delegated oversight of the group's socio-economic development (SED) programmes to the committee.

During the year, the group continued to support a number of initiatives, which included food schemes at the schools it supports.

At Kaalfontein Primary School in Johannesburg, Jasco maintained the CCTV security systems and wi-fi networks that supported a number of learners during extended periods of lockdown during the year. The investment in technology also assisted the school's safety during periods of unrest and vandalism threats in July 2021.

Similarly, at Matjiesfontein Primary School, Jasco supported the school with telecommunications and information and communication technologies. Jasco has committed to continue its financial support into FY2022.

Jasco attained 100% in its support of the advancement of black people to gain access to the broader economy.

Protection of Personal Information Act (POPIA) implementation

The committee reviewed Jasco's compliance with and implementation of the POPI Act. Jasco commenced with several training sessions to increase awareness amongst all levels of employees. Each business unit successfully implemented POPIA.

Health and safety

The committee reviewed the findings of the Occupational Health and Safety Act, 85 of 1993 (OHASA) through health, safety and quality audits. All audited sites of the group received compliance certification.

Key focus areas

The focus of the committee over the next 12 months will be to provide oversight over the group's transformation strategy, maintaining a level 3 B-BBEE status and the Top Employer, ISO and OHASA accreditations.

Appreciation

I thank the new executive team for embracing the current challenges and working hard on ensuring that we address all the group's responsibilities. I am also deeply grateful to the board of directors for their support and oversight. Thank you also to my fellow committee members for your assistance during the year.

Pumla Radebe

31 December 2021

Governance review

Introduction

Ethical leadership and good corporate governance are priorities for Jasco.

From 1 March 2021, the board appointed MCP Managerial Services as an independent outsourced group company secretary. Warren Prinsloo, the group's former CFO, previously fulfilled the role following special dispensation from the JSE Limited.

The chairman and the CEO conduct a detailed assessment to satisfy the board of the competence, qualifications and experience of the group company secretary in accordance with section 3.84(h) of the JSE Listings Requirements.

Annual assessments of the effectiveness of the role include:

- a review of qualifications and experience
- ensuring that the company secretary remains the gatekeeper of good governance in the company
- the effectiveness of the arm's length relationship and how the role and duties as group company secretary is performed
- a performance review by the CEO against measured targets from an administrative and strategic key performance area perspective

The group company secretary is responsible for assisting the board to lead ethically and effectively and assessing the board's integrity, accountability, fairness and level of transparency with its stakeholders.

The group company secretary is responsible for alerting directors to any relevant changes to the Companies Act, the Financial Markets Act, the JSE Listings Requirements, governance trends, as well as any other statutory regulations or laws affecting them in their capacity as directors. The group company secretary also monitors the directors' dealings in securities and ensures adherence to prohibited periods for share trading.

Corporate governance and regulatory summary

JSE Listings Requirements

The board has discharged its duties in accordance with the JSE Listings Requirements.

King IV

As a listed company, Jasco operates in a regulated environment, which requires us to adhere to the principles of the King Code. The board has applied the main principles of King IV, together with the Companies Act, during the year under review. We outline our adherence to the King IV principles on our website, www.jasco.co.za.

Ethics

Jasco is committed to achieving the highest standards of ethical behaviour. We have various mechanisms in place to prevent and discourage unethical and fraudulent behaviour in the group. We expect our employees and Jasco-related stakeholders to conduct themselves with the highest level of honesty and integrity.

The group has an ethics hotline. This hotline can be used by all employees, contractors, suppliers or other associates. Stakeholders are encouraged to report any suspected unethical behaviour. Calls are received directly by the social and ethics committee chair.

No fraudulent activity was reported or proven to be committed during the reporting period.

Internal control

The group continues to develop and strengthen the internal control environment. The control environment is enhanced through clear policies, procedures and adequate lines of defence.

The board has ultimate responsibility for establishing a framework for internal control. Jasco's controls focus on the critical risk areas identified by operational management and are validated by executive management. Controls are designed to provide greater assurance of the integrity and reliability of the annual financial statements to safeguard, verify and maintain accountability of assets and to detect fraud, potential liability, loss and material misstatement, whilst complying with applicable laws and regulations.

The audit and risk committee provides oversight of the control environment at a company and subsidiary level. Operational and executive management closely monitor the controls and actions taken to correct weaknesses, as and when they are identified. Each business unit has its own finance department headed by a finance executive with appropriate skill and experience. The business unit finance executives report to the group CFO, who is responsible for the overall financial control and reporting.

Jasco outsourced its internal audit function during the year.

Insider trading

The company updated its directors' dealings policy during the year.

Directors and employees of Jasco are periodically reminded that they are not permitted to deal in Jasco's ordinary shares based on unpublished price-sensitive information or during a closed period, as determined by the board in accordance with the framework for good governance.

The company secretary communicates closed periods to the directors and employees of the group in advance.

Delegations of authority

The group has adopted and complies with a detailed delegation of authority framework and policy, stipulating the governance framework with specific guidance to business units, executives and employees.

The board and directors

Jasco's board comprises four independent non-executive directors (including one lead independent non-executive director), two non-executive directors and two executive directors.

The skills and expertise of individual members are set out on page 20 of this report and the composition of the board ensures that directors lead the organisation and develop a focused strategy.

The board operates in accordance with a charter that sets out clear roles, responsibilities and duties of the chairman, deputy chairman, lead independent director and executive management.

A detailed annual plan ensures that the board executes its responsibilities and complies with its charter.

The board charter and memorandum of incorporation foster sound voting principles and processes to enable a balance of power in the boardroom. All directors independently apply their minds to matters under discussion.

Independence of directors

The board applies the principles contained in the JSE Listings Requirements, King IV™ and the Companies Act and the Companies Act guidelines to assess the independence of directors.

The board adheres to its fiduciary duties and duty of skill. This is reflected in robust engagement and considered debate on all matters tabled. Independence and transparency are confirmed through declarations of interest at each board and committee meeting and are recorded in the minutes.

Declarations of interest are maintained in a register. In their appointment letters, non-executive directors confirm their professional commitments and that they have sufficient time available to fulfil the responsibilities as members of the board.

Directors are entitled to seek independent professional advice concerning the affairs of the group, at the group's expense, should they believe this to be in the best interest of the group.

Board evaluation

Jasco undertakes an annual board evaluation.

In addition, the remuneration committee facilitates the evaluation of executive management.

A detailed board evaluation was conducted over a four-week period during September 2021.

A quarterly development agenda and detailed activity plan was developed to respond to the outcomes of the evaluation.

Following the subsequent review of the sub-committee charters, detailed committee recommendations were developed. Responses to the customised questionnaires were analysed for further discussion with individual board members.

The evaluation will ensure that the board's sub-committees are performing optimally.

Appointments to the board

Directors are appointed through a formal and transparent process, which includes the identification of suitable members and an assessment of their skills and ability to commit time to their fiduciary duties prior to nomination. Director appointments are formalised through an agreed appointment letter between the company and the individual director.

Directors are appointed on an initial three-year term. Any term of renewal is subject to a review by the nominations committee, board recommendation and AGM re-election by shareholders.

The company's board-approved diversity policy is applied by the nominations committee when providing recommendations on the composition of the board and any new appointments. The composition of board members is included on page 21.

During the year, Pete da Silva, who acted as the interim CEO until the end of February 2021, resigned as an executive director and returned to his position as an alternate to the deputy chairman Joe Madungandaba.

Liska Prigge was appointed as an executive board member and chief financial officer on 1 March 2021.

Retirement and re-election of directors

All directors are appointed in accordance with Jasco's memorandum of incorporation and are subject to retirement by rotation and re-election by shareholders at least once every three years. Consequently, Joe Madungandaba and Shaheen Bawa will retire by rotation. Being eligible for re-election, they offer themselves for re-election to the board. CVs of the directors are included on page 20.

Directors' remuneration

Non-executive directors receive a fee for their contribution to the board and the sub-committees on which they serve. Fees are determined by the remuneration committee and approved by the shareholders at the AGM. The remuneration of executive directors is determined by the remuneration committee in accordance with the company's memorandum of incorporation, a non-executive directors benchmarking review and approval by the board. Information on directors' remuneration appears on page 45.

Risk management

The board appreciates the importance of risk management. An updated risk and opportunity register that outlines a detailed mitigation process was put in place last year. Management is accountable for the design, implementation and monitoring of the risk management plan. The risk and opportunity register is monitored through a detailed process that involves rating the risk and categories with equivalent estimated values. The mitigation process involves allocation of responsibilities to individual employees and target dates as a monitoring tool. To ensure that risk assessment is performed on a continual basis, the risk and opportunity register is monitored by the board on a quarterly basis. Refer to page 19 for the material issues and risks.

An enterprise risk management framework and policy continues to receive management attention, with identified shortcomings to be addressed in the new financial year.

The board is assisted in its responsibility by the audit and risk committee. Its objective is to monitor and consider the risk management processes. The group's annual internal audit plan is designed to incorporate the outcomes of the risk management process. Internal audit is based on a risk-based audit approach.

Board meetings

The board meets quarterly and as it is deemed necessary. Non-executive directors play a key role in the board sub-committees, which operate within the approved charters for each sub-committee.

An agenda and supporting documents are distributed to all directors prior to each board meeting to allow members sufficient time to prepare for the meeting. Appropriate explanations and motivations are provided for items requiring resolution at the meeting. This ensures that relevant facts and circumstances are brought to the attention of the directors.

Board committees

The board committees assist the board in executing its duties and authority. The board delegates the required authority to each committee to enable them to fulfil their respective functions through formal board-approved charters. These are reviewed annually. Each committee has a detailed annual work plan to ensure full oversight of all matters within their delegated mandate.

Delegating authority to board committees or management does not discharge the board and its directors of their duties and responsibilities.

The board has five committees through which it operates:

- Audit and risk
- Social and ethics
- Remuneration
- Nominations
- Investment

Committee chairmen report formally to the board after each meeting on all matters within their duties and responsibilities, including recommendations on envisaged actions.

The board is satisfied that each committee has fulfilled its obligation in accordance with its mandate for the reporting period.

Audit and risk committee

The committee consists of three independent non-executive directors who have the necessary skills, financial literacy and experience. The chairman of the board is not the chairman of the audit and risk committee. The external auditors, outsourced internal auditors, the group CEO and the group CFO attend these meetings by invitation. The internal and external auditors have unrestricted access to the chairman of the audit and risk committee. The full report from the audit and risk committee is contained in the consolidated financial statements. These can be found at www.jasco.co.za.

The CVs of the members of the committee appear on page 20.

Meetings are held at least quarterly. Five meetings were held in the year under review.

Apart from the statutory duties of the audit and risk committee, as set out in the Companies Act and the provisions of the JSE Listings Requirements and King IV™ principles, the purpose of the committee is to:

- examine and review the group's financial statements and report on interim and final results, the accompanying messages to stakeholders and any other announcements on the company's results or other financial information to be made public
- oversee co-operation between internal and external auditors, and serve as a link between the board and these functions
- oversee the external audit function, including assessing their independence and abilities
- approve the internal audit plan, fees and qualifications of the internal auditors
- evaluate the qualifications and independence of the external auditor
- approve external audit fees
- ensure that effective internal financial controls are in place
- review the integrity of financial risk control systems and policies
- evaluate the scope and effectiveness of the internal audit function
- evaluate the competency level of the CFO and the finance function
- comply with legal and regulatory requirements

During the year under review, the committee satisfied itself that the CFO, Liska Prigge, possesses the appropriate level of expertise and experience to fulfil her responsibilities as group CFO.

Social and ethics committee

The social and ethics committee is constituted as a statutory committee for purposes contained in section 72 of the Companies Act. The committee comprises two independent non-executive directors and the marketing and communications executive. The group's CEO, CFO, group executive: human resources, and the head: business support systems and the company secretary attend these meetings as invitees. The chairman of the committee provides a report to the board on the committee's initiatives and mandate.

Meetings are held quarterly. Four meetings were held in the year under review.

The CVs of the members of the committee appear on pages 20 and 21.

The committee is governed by a charter and monitors group performance in terms of defined social and ethics performance areas that have been formulated with reference to Regulation 43(5) of the Companies Act. This is further supported by an annual work plan which guides the committee on its mandate and responsibilities.

In response to the requirements of the Companies Act, the performance in the following areas was reviewed:

- group policies (ethics, whistle-blowing, anti-corruption and procurement)
- broad-based black economic empowerment and employment equity
- socio-economic development
- environmental impact

Refer to page 46 for a review from the chairman of the committee.

Remuneration committee

The committee ensures that remuneration policies support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives, while complying with regulatory and governance principles. The committee provides oversight of the group's remuneration practices.

The remuneration committee comprises three non-executive directors. Two are independent and it is chaired by an independent non-executive director. Meetings are attended by the group CEO, CFO and the group executive: human resources, by invitation.

Meetings are held bi-annually. The committee met twice during the year.

The remuneration committee ensures that remuneration practices focus executives on achieving long-term business objectives and growth in shareholder value. In satisfying this requirement, the committee reviews short-term and long-term incentive arrangements, including key performance areas and performance hurdles. The chairman of the committee reports to the main board on the activities, observations and recommendations made by the committee.

Refer to page 38 for a review from the chairman of the committee.

Nominations committee

The nominations committee is responsible for ensuring that the procedures for appointments to the board are formal and transparent.

The committee consists of three non-executive directors. Meetings are attended by the group CEO and the company secretary by invitation. The committee meets according to its annual work plan and met twice during the year.

The purpose of this committee is to:

- provide recommendations on the composition of the board and board committees and ensure that the board comprises individuals equipped to fulfil their role as directors of the company
- provide comments and suggestions on committee structures of the board, committee operations, member qualifications and member appointments
- review and identify board members' time commitments to serve Jasco
- review and recommend the evaluation of the board and committees
- review and recommend its annual training programme to the board

Investment committee

The investment committee is constituted as an ad-hoc sub-committee to assist the board with the investment process of the group. The committee comprises one non-executive, three independent non-executive and two executive directors.

The committee oversees the appraisal and approval processes for investments. These are designed to ensure they are aligned to the group's agreed strategies and values. Risks are identified, investments are evaluated to ensure they produce the maximum shareholder value within an acceptable risk framework and appropriate risk management strategies are pursued.

The main purpose of the committee is to review investments in a structured, formal and transparent manner to ensure:

- each project meets the strategic, technical and investment requirements of the company, which includes identifying and managing project-related risks;
- critical decisions, project parameters, safety, health and environmental impacts and governance processes are followed and addressed prior to committing funds; and
- each appraisal enhances the net asset value of the company.

The committee also approves smaller projects within its mandate. The committee meets as is required.

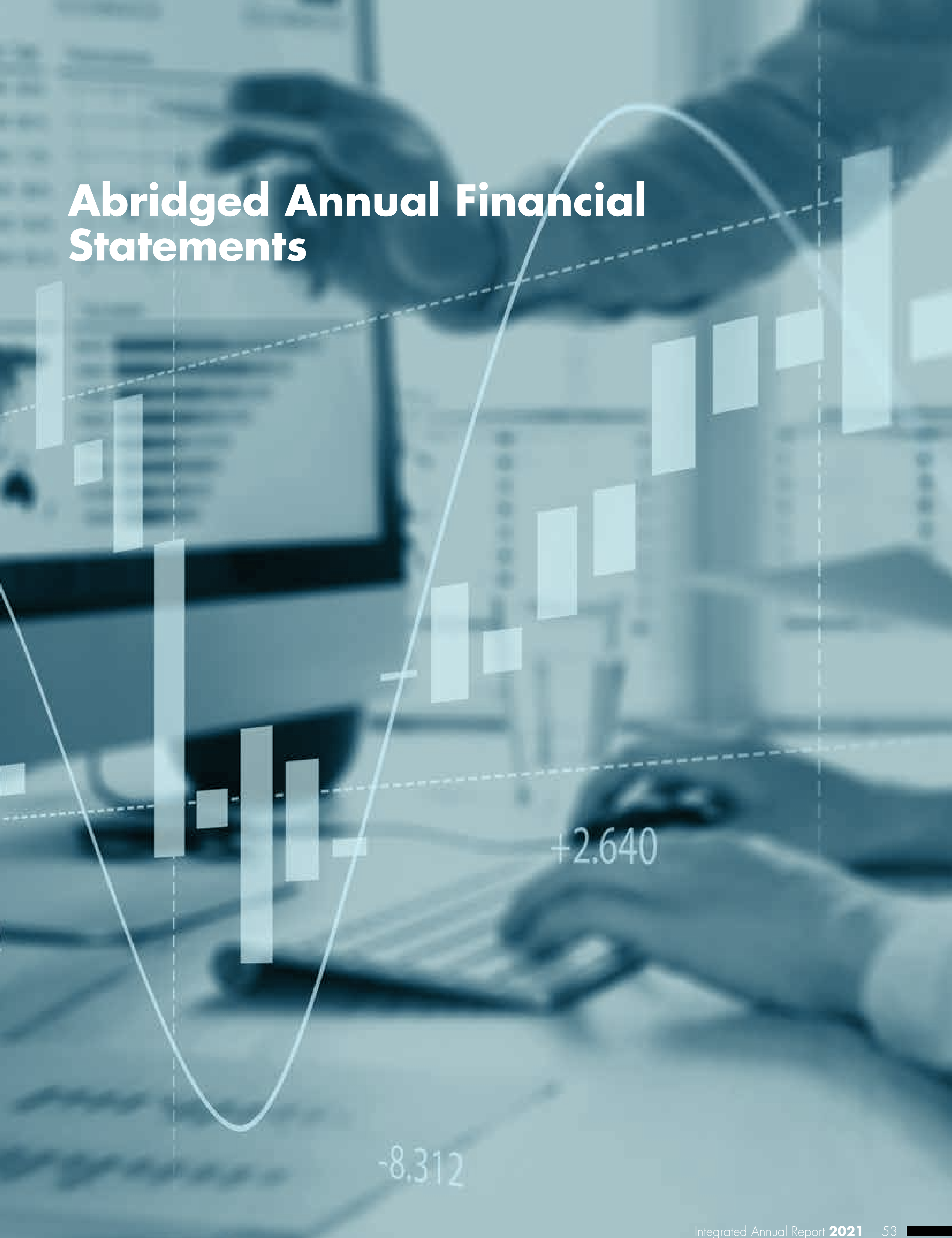
The committee met once during the year under review to discuss the strategy update, the disposal of Reflex and PTM and other project and investment opportunities.

FY2021 board meeting attendance:

Directors	Board (Including budgets)	Audit & risk	Social & ethics	Remuneration	Nominations	Investment
Number of meetings held	5	5	4	2	2	1
Non-executive directors:						
Chairman: Dr ATM Mokgokong	5/5	–	–	–	2/2	–
Deputy chairman: MJ Madungandaba	5/5	–	–	2/2	2/2	1/1
Lead independent non-executive director: PF Radebe	5/5	5/5	4/4	2/2	–	–
Independent non-executive director: TP Zondi	5/5	5/5	–	–	–	1/1
Independent non-executive director: MSC Bawa	5/5	–	4/4	2/2	2/2	1/1
Independent non-executive director: DH Du Plessis	5/5	5/5	–	–	–	1/1
Alternate non-executive director: AMF Da Silva*	1/1	–	–	–	–	–
Executive directors:						
AMF Da Silva**	4/4	4/4^	3/3^	1/1^	1/1^	1/1
WA Prinsloo	5/5	5/5^	1/1^	2/2^	2/2^	1/1
LA Prigge#	1/1	1/1^	1/1^	1/1^	–^	1/1

* *from 1 March 2021.*
** *acting CEO and executive director until end of February 2021.*
\# *appointed as an executive director from 1 March 2021.*
^ *by invitation only.*

Abridged Annual Financial Statements



Statements of comprehensive income

for the year ended 30 June 2021

	Group		Company	
	2021 R'000	Restated* 2020 R'000	**2021 R'000**	2020 R'000
Continuing operations				
Revenue	**658 521**	663 095	**32 117**	59 122
Cost of sales	**(453 972)**	(484 126)	**–**	–
Gross profit	**204 549**	178 969	**32 117**	59 122
Other income	**8 730**	12 594	**33 538**	1 909
Selling and distribution costs	**(1 692)**	(2 148)	**–**	–
Administrative expenses	**(142 506)**	(179 123)	**(8 705)**	(11 234)
Other expenses	**(62 988)**	(91 566)	**(408)**	(24 294)
Expected credit loss on trade receivables	**(608)**	(1 636)	**–**	–
Operating profit/(loss)	**5 485**	(82 910)	**56 542**	25 503
Finance income	**1 190**	2 368	**35**	439
Finance costs	**(25 367)**	(30 276)	**(15 104)**	(21 186)
Equity accounted share of profit from associate	**–**	33	**–**	–
(Loss)/profit before taxation	**(18 692)**	(110 785)	**41 473**	4 756
Taxation	**(4 711)**	(5 318)	**–**	9
(Loss)/profit from continuing operations	**(23 403)**	(116 103)	**41 473**	4 765
Profit from discontinued operations	**32 495**	13 468	**–**	–
Profit/(loss) for the year	**9 092**	(102 635)	**41 473**	4 765
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income/(loss) for the year	**9 092**	(102 635)	**41 473**	4 765
Profit/(loss) and total comprehensive income/(loss) for the year attributable to:				
– non-controlling interests	**2 623**	8 228	**–**	–
– ordinary shareholders of the parent	**6 469**	(110 863)	**41 473**	4 765
	9 092	(102 635)	**41 473**	4 765
Profit/(loss) and total comprehensive income/(loss) for the year attributable to:				
• Equity holders of the company	**6 469**	(110 863)	**41 473**	4 765
– (Loss)/profit for the year from continuing operations	**(23 439)**	(116 269)	**41 473**	4 765
– Profit for the year from discontinued operations	**29 908**	5 406	**–**	–
• Non-controlling interest:	**2 623**	8 228	**–**	–
– Profit for the year from continuing operations	**36**	166	**–**	–
– Profit for the year from discontinued operations	**2 587**	8 062	**–**	–
Earnings per ordinary share (cents):				
– From continuing operations	**(10,4)**	(51,8)		
– From discontinued operations	**13,3**	2,4		
	2,9	(49,4)		
Diluted earnings per ordinary share (cents)				
– From continuing operations	**(10,4)**	(51,8)		
– From discontinued operations	**13,3**	2,4		
	2,9	(49,4)		

* *Restated for the discontinued operations*

Statements of financial position

at 30 June 2021

	Group		Company	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Assets				
Non-current assets	**179 578**	327 277	**85 356**	114 746
Plant and equipment	**38 567**	74 675	**–**	–
Right-of-use assets	**52 199**	106 124	**–**	–
Intangible assets	**67 910**	117 772	**–**	–
Investment in subsidiaries	**–**	–	**82 268**	112 716
Investment in joint venture/associate	**–**	–	**–**	–
Deferred income tax	**18 256**	21 981	**–**	–
Other non-current assets recognised for costs incurred to fulfil contracts	**9**	1 664	**–**	–
Other non-current assets	**2 637**	5 061	**3 088**	2 030
Current assets	**248 296**	309 208	**125 603**	91 357
Inventories	**87 482**	101 113	**–**	–
Contract assets	**1 574**	11 927	**–**	–
Trade and other receivables	**118 797**	159 646	**137**	213
Amounts owing by group companies	**–**	–	**125 173**	90 747
Taxation refundable	**12 790**	11 938	**–**	300
Short-term portion of other non-current assets	**6 689**	3 258	**–**	–
Cash and cash equivalents	**20 964**	21 326	**293**	97
Total assets	**427 874**	636 485	**210 959**	206 103
Equity and liabilities				
Shareholders' equity	**41 607**	59 626	**46 296**	4 823
Share capital	**281 283**	281 283	**281 283**	281 283
Treasury shares	**(3 083)**	(3 083)	**–**	–
Non-distributable reserves	**4 397**	4 848	**–**	14
Retained loss	**(252 176)**	(257 155)	**(234 987)**	(276 474)
Equity attributable to equity holders of the parent	**30 421**	25 893	**46 296**	4 823
Non-controlling interests	**11 186**	33 733	**–**	–
Non-current liabilities	**59 903**	121 743	**7**	7
Interest-bearing liabilities	**205**	6 218	**–**	–
Lease liabilities	**58 501**	110 871	**–**	–
Contract liabilities	**14**	2 333	**–**	–
Deferred income tax	**1 183**	2 321	**7**	7
Current liabilities	**326 364**	455 116	**164 656**	201 273
Trade and other payables	**98 211**	172 446	**3 499**	4 242
Provisions	**1 372**	5 891	**–**	2 558
Amounts owing to group companies	**–**	–	**9 922**	3 548
Taxation	**4 256**	4 970	**–**	–
Contract liabilities	**50 043**	42 509	**–**	–
Short-term borrowings	**153 419**	203 020	**151 235**	190 925
Lease liabilities	**19 063**	26 280	**–**	–
Total equity and liabilities	**427 874**	636 485	**210 959**	206 103

Statements of changes in equity

for the financial year ended 30 June 2021

	Share capital R'000	Treasury shares R'000	Non-distributable reserves R'000	Retained earnings/ (loss) R'000	Total parent share holders' equity R'000	Non-controlling interest R'000	Total equity R'000
Group							
Balance as at 30 June 2019	281 283	(3 203)	7 109	(148 495)	136 694	28 730	165 424
Treasury shares – Share Incentive Trust	–	120	–	–	120	–	120
Equity-settled share-based payment	–	–	187	–	187	–	187
Disposal of companies	–	–	–	–	–	38	38
Recycling of non-distributable reserves (transaction with NCI)	–	–	(2 448)	2 448	–	–	–
Dividend paid to non-controlling shareholder	–	–	–	–	–	(3 263)	(3 263)
Transactions with non-controlling shareholders	–	–	–	(245)	(245)	–	(245)
Total comprehensive (loss)/ income	–	–	–	(110 863)	(110 863)	8 228	(102 635)
(Loss)/profit for the year	–	–	–	(110 863)	(110 863)	8 228	(102 635)
Other comprehensive loss	–	–	–	–	–	–	–
Balance as at 30 June 2020	281 283	(3 083)	4 848	(257 155)	25 893	33 733	59 626
Disposal of companies	–	–	–	–	–	(27 111)	(27 111)
Recycling of non-distributable reserves	–	–	(451)	(1 490)	(1 941)	1 941	–
Total comprehensive income	–	–	–	6 469	6 469	2 623	9 092
Profit for the year	–	–	–	6 469	6 469	2 623	9 092
Other comprehensive income	–	–	–	–	–	–	–
Balance as at 30 June 2021	281 283	(3 083)	4 397	(252 176)	30 421	11 186	41 607
Company							
Balance as at 30 June 2019	281 283	–	14	(281 239)	58	–	58
Total comprehensive income	–	–	–	4 765	4 765	–	4 765
Profit for the year	–	–	–	4 765	4 765	–	4 765
Other comprehensive loss	–	–	–	–	–	–	–
Balance as at 30 June 2020	281 283	–	14	(276 474)	4 823	–	4 823
Recycling of non-distributable reserves	–	–	(14)	14	–	–	–
Total comprehensive income	–	–	–	41 473	41 473	–	41 473
Profit for the year	–	–	–	41 473	41 473	–	41 473
Other comprehensive loss	–	–	–	–	–	–	–
Balance as at 30 June 2021	281 283	–	–	(234 987)	46 296	–	46 296

Statements of cash flows

for the financial year ended 30 June 2021

	Group		Company	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Cash flows from operating activities	(13 273)	(7 424)	(21 171)	(9 984)
Cash receipts from customers	668 893	992 815	4 724	26 708
Cash paid to suppliers and employees	(650 034)	(954 880)	(15 150)	(20 616)
Cash generated from/(utilised in) operations	18 859	37 935	(10 426)	6 092
Interest received	1 337	3 523	35	397
Interest paid#	(25 900)	(34 726)	(14 313)	(19 870)
Taxation (paid)/refunded	(7 569)	(10 893)	300	–
Dividend received	–	–	3 233	3 397
Dividend paid to non-controlling shareholder	–	(3 263)	–	–
Cash flows from investing activities	73 268	(15 402)	35 425	9 900
Purchase of plant and equipment	(4 603)	(7 330)	–	–
Proceeds on disposal of plant and equipment	1 135	520	–	–
Additions to right-of-use assets	5	(2)	–	–
Additions to intangibles	(19)	(8 686)	–	–
Disposal of subsidiary, net of cash disposed of	70 467	(74)	72 857	–
Acquisition of business operation	(250)	–	–	–
Increase in loan to associate	–	(2 554)	–	–
Dividend received from associate	3 233	–	–	–
(Increase)/decrease in loan amounts owing by group companies	–	–	(37 432)	9 900
Receipts from loan to customer	3 300	2 724	–	–
Cash flows from financing activities	(57 628)	(24 517)	(14 058)	–
Non-current loans repaid	(43 255)	(10 319)	(40 481)	–
Leases – principal payments	(14 373)	(14 198)	–	–
Increase in loan amounts owing to group companies	–	–	26 423	–
Net increase/(decrease) in cash and cash equivalents	2 367	(47 343)	196	(84)
Cash and cash equivalents at beginning of year	17 794	64 769	97	181
Revaluation of foreign cash balances	211	368	–	–
Net cash and cash equivalents at end of year	20 372	17 794	293	97
Cash and cash equivalents	20 964	21 326	293	97
Bank overdrafts	(592)	(3 532)	–	–
Net cash and cash equivalents at end of year	20 372	17 794	293	97

Relates to interest paid on the Corporate bond, leases, other borrowings and the banks.

Segmental report

at 30 June 2021

Introduction

For management purposes, the group is organised into business units based on their products and services. The group's executive committee, which is the group's chief operating decision-maker (CODM), monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The trading activities of the group companies are divided into four main business segments, namely Intelligent Solutions (formerly: ICT – Enterprise), Communication Solutions (formerly: ICT – Carriers), Security & Fire Safety and Electrical Manufacturers. Intelligent Solutions and Communication Solutions form part of ICT segment, however, the CODM looks at them separately. Following the restructuring of the group with effect from 1 November 2020, the segment report has been updated to reflect the new structure.

Income and expenses

	Revenue				
	Revenue R'000	Intersegment R'000	Segmental revenue R'000	Net forex profit/(loss) and other income R'000	Administrative and other expenses R'000
2021					
Communication Solutions	221 652	(3 541)	218 111	2 932	(71 410)
Intelligent Solutions	198 437	(49)	198 388	3 670	(51 069)
Security and Fire	44 034	–	44 034	276	(20 139)
Electrical Manufacturers	200 307	–	200 307	605	(30 488)
Sub-total continuing operating division	664 430	(3 590)	660 840	7 483	(173 106)
Discontinued operation – Reflex Solutions and PTM Division	85 363	(501)	84 862	9 172	(22 135)
Other non-operating divisions	32 117	–	32 117	33 451	(43 640)
Adjustments	(39 184)	4 091	(35 093)	(23 810)	33 204
Total	742 726	–	742 726	26 296	(205 677)
2020 (Restated)					
Communication Solutions	207 560	(6 371)	201 189	1 061	(80 875)
Intelligent Solutions	221 230	(164)	221 066	6 516	(68 676)
Security and Fire	62 543	–	62 543	38	(21 966)
Electrical Manufacturers	181 677	–	181 677	(433)	(30 811)
Sub-total operating division	673 010	(6 535)	666 475	7 182	(202 328)
Discontinued operation – Reflex Solutions and PTM Division	283 253	1 639	284 892	4 843	(82 945)
Other non-operating divisions	–	–	–	40 197	(78 776)
Adjustments	(17 050)	4 896	(12 154)	(39 896)	38 947
Total	939 213	–	939 213	12 326	(325 102)

				Financial position		
Depreciation and amortisation R'000	Operating profit/(loss) R'000	Finance income R'000	Finance costs R'000	Assets R'000	Liabilities R'000	Capital expenditure R'000
(8 414)	8 427	209	(910)	106 013	35 205	416
(3 056)	24 547	808	(619)	63 913	55 283	125
(196)	(7 688)	–	(257)	19 082	11 147	8
(10 954)	7 984	8	(3 179)	101 116	48 003	628
(22 620)	33 270	1 025	(4 965)	290 124	149 638	1 177
(2 185)	15 700	401	(227)	6 504	633	3 350
(10 224)	(23 469)	163	(21 029)	117 296	209 591	130
(4 821)	(1 933)	–	–	13 950	26 405	(35)
(39 850)	23 568	1 589	(26 221)	427 874	386 267	4 622
(12 465)	(24 961)	237	(782)	103 398	43 926	7 869
(7 284)	158	1 417	(365)	75 339	71 606	1 480
(312)	(3 895)	–	(121)	21 796	10 030	68
(10 452)	5 132	56	(2 865)	111 510	54 944	1 344
(30 513)	(23 566)	1 710	(4 133)	312 043	180 506	10 761
(10 147)	22 495	1 604	(1 517)	100 226	62 646	13 741
(10 994)	(49 573)	721	(26 852)	163 927	258 825	941
(10 279)	(9 688)	(309)	(3 577)	60 289	74 882	(501)
(61 933)	(60 332)	3 726	(36 079)	636 485	576 859	24 942

Notice of the AGM

Jasco Electronics Holdings Limited (Incorporated in the Republic of South Africa) Registration number: 1987/003293/06 JSE share code: JSC ISIN: ZAE000003794 ("Jasco" or "the company" or "the group")

Notice is hereby given that the 34th annual general meeting of shareholders for the year ended 30 June 2021 will be held entirely over Google Meet videoconference on Monday, 7 February 2022 at 14:00 or any other adjourned or postponed time determined in accordance with the provisions of subsections 64(4) or 64(11)(a)(i) of the Companies Act, No. 71 of 2008, as amended (Companies Act) to consider, and if deemed fit, to pass with or without modification, the following resolutions, as set out in this notice, and to deal with such other business as may lawfully be dealt with at the meeting

- present the directors' report, the annual financial statements and the audit and risk committee report of the company for the year ended 30 June 2021 and transact any other business as may be transacted at an AGM of shareholders of a company
- provide a verbal report to shareholders from the social and ethics committee of the company for the year ended 30 June 2021 on matters within its mandate in terms of regulation 43(5)(c) of the Companies Act regulations
- consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Listings Requirements, which meeting is to be participated in and voted by shareholders as at the voting record date of Friday, 28 January 2022 in terms of section 62(3)(a), read with section 59 of the Companies Act.

The board of directors of the company has determined, in accordance with section 62(3)(a), read with section 59(1)(a) and (b) of the Companies Act, that the record dates for the purposes of determining which shareholders are entitled to:

- receive notice of the annual general meeting (the posting record date) on Friday, 31 December 2021; and
- attend, participate in and vote at the annual general meeting (the voting record date) on Friday, 28 January 2022.

Presentation of audited annual financial statements

The annual financial statements of the company and the group, including the reports of the directors, group audit and risk committee and the independent auditors, for the year ended 30 June 2021, will be presented to shareholders, as required in terms of section 30(3)(d) of the Companies Act. Abbreviated versions have been included in the Integrated Annual Report, with the full annual statements available on our website.

Presentation of group social and ethics committee report

A report of the members of the group social and ethics committee for the year ended 30 June 2021 will be presented to shareholders as required in terms of Regulation 43 of the Companies Regulations, 2011. Refer to our website www.jasco.co.za.

Resolutions for consideration and adoption

1. To re-elect Mr MJ Madungandaba and Mr MSC Bawa as directors of the company. Brief resumes for these directors appear on page 20

In accordance with the provisions of clause 28.8 of the company's memorandum of incorporation (MoI) and the Companies Act, at each annual general meeting of the company, one third of the directors shall retire from office, but such directors may offer themselves for re-election. The board of directors, in consultation with the nominations committee, has assessed the performance of the directors standing for re-election, and has found them suitable for reappointment.

1.1 Ordinary resolution number 1: Re-election of Mr MJ Madungandaba as a director

"RESOLVED that Mr MJ Madungandaba, who retires by rotation in terms of the MoI of the company and is eligible and available for re-election as a director of the company, be and is hereby re-elected as a director of the company with effect from 7 February 2022."

1.2 Ordinary resolution number 2: Re-election of Mr MSC Bawa as a director

"RESOLVED that MSC Bawa, who retires by rotation in terms of the MoI of the company and is eligible and available for re-election as a director of the company, be and is hereby re-elected as a director of the company with effect from 7 February 2022."

For the above resolutions to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

2. Ordinary resolution number 3: Election of group audit and risk committee members

"RESOLVED that an audit and risk committee comprising independent non-executive directors, as provided in section 94(4) of the Act, set out to be and is hereby appointed in terms of section 94(2) of the Companies

Act to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and King IV™ Report on Governance for South Africa and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company and all subsidiary companies.

The nominations committee and board of directors has assessed the performance of the group audit and risk committee members standing for election and are satisfied that each member standing for election meets the requirements of section 94(4) of the Companies Act, as well as the minimum qualification requirements for a member of an Audit committee and that collectively, they have adequate, relevant knowledge and experience to equip the committee to perform its functions as contemplated in section 94(7) of the Companies Act.

Brief CVs for these members appear on page 20.

Mr DH du Plessis (Chairman);

Ms TP Zondi (member); and

Mrs PF Radebe (member)."

For the above resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

3. Ordinary resolution number 4: Election of group social and ethics committee members

"RESOLVED that a social and ethics committee, as provided in section 72(4) of the Companies Act, and Regulation 43 of the Companies Regulations, 2011, set out below, be and is hereby appointed in terms of regulation 43(2) of the Regulations to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in Regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors of the company and all subsidiary companies.

The board of directors has assessed the performance of the group social and ethics committee members standing for re-election and has found them suitable for reappointment. Brief CVs for these members appear on pages 20 and 21.

Mrs PF Radebe (chairman);

Mr MSC Bawa (member); and

Mr MD Ngwato (member)."

For the above resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

4. Ordinary resolution number 5: Reappointment of independent external auditors

The group audit and risk committee has assessed Mazars' and Mr Miles Fischer's (in his capacity as designated audit partner) performance, independence and suitability and has nominated them for reappointment as independent external auditors of the group, to hold office until the next annual general meeting. In accordance with paragraph 3.84(g)(iii) of the Listings Requirements, the Audit committee has reviewed the credentials and accreditation information relating to Mazars. The assessment encompassed a review of, *inter alia*, the relevant IRBA inspection reports, transparency reports, proof of registration and qualifications report. The board is in agreement with this assessment and accordingly proposes their appointment.

"RESOLVED that Mazars, with the designated audit partner being Mr M Fisher, be and is hereby reappointed as independent external auditors of the group for the ensuing year."

For this resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

5. Advisory endorsement of the remuneration policy and implementation report

"RESOLVED that through a non-binding advisory vote that the company's remuneration policy and its implementation, as set out in the remuneration report contained on pages 40 to 45 of this report, be and is hereby approved."

5.1 Ordinary resolution number 6: Non-binding advisory vote of the company's remuneration policy is hereby approved.

5.2 Ordinary resolution number 7: Non-binding advisory vote of the company's remuneration implementation report is hereby approved.

These ordinary resolutions are of an advisory nature only and although the board will take the outcome of the vote into consideration when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy, as contained in this report. However, the board commits to engage with dissenting shareholders if the votes against are 25% or more of the total votes.

For this resolution to be passed, votes in favour must represent at least 50%+1 of all votes cast and/or exercised at the meeting.

6. Ordinary resolution number 8: General authority to place the authorised but unissued shares under the directors' control

It would be of advantage to grant the directors the necessary authority to enable the company to take expeditious advantage of business opportunities (in the form of rights offers, acquisition issues and/or acquisitions of any shares in any group company owned by any minorities (as set out in paragraph b of the resolution). In order to be in a position to do so, the company is required, in terms of clause 9.4 of its MoI, to have shareholder approval to issue shares in such circumstances.

The company understands that this authority cannot be open-ended, and has therefore proposed that it be granted, subject to:

- the restrictions set out below, particularly that the number of shares it is authorised to issue be limited to 29,95% (twenty nine point nine five percent) of the ordinary shares in issue, as at the date of this notice of AGM, excluding treasury shares; and
- the company not being entitled and having no authority to issue any shares over and above the aforementioned threshold of 68 681 098 ordinary shares (which represent 29,95% (twenty nine point nine five percent) of the ordinary shares in issue as at the date of the notice of the AGM, excluding treasury shares, whether such issue is pursuant to this ordinary resolution 8 or pursuant to ordinary resolution 9.

"RESOLVED to place the undermentioned ordinary shares in the authorised but unissued share capital of the company at the disposal and under the control of the directors, until the next AGM of the company, who are hereby authorised and empowered, subject to the provisions of the Act and the JSE Listings Requirements, to allot, issue and otherwise dispose of such shares to such person/s on such terms and conditions and at such time/s as the directors may from time to time in their discretion deem fit, subject to:

(a) a maximum amount of 68 681 098 ordinary shares, which represent 29,95% (twenty nine point nine five percent) of the ordinary shares in issue, as at the date of the notice of the AGM, excluding treasury shares, being placed at the disposal and under the control of the directors;

(b) the company not being entitled and having no authority to issue any shares over and above the aforementioned threshold of 68 681 098 ordinary shares, which represent 29,95% (twenty nine point nine five percent) of the ordinary shares in issue, as at the date of the notice of the AGM, excluding treasury shares, whether such issue is pursuant to this ordinary resolution 8 or pursuant to ordinary resolution 9;

(c) this resolution shall not authorise the directors to effect an issue of shares for cash, as contemplated in the JSE Listings Requirements; and

(d) such authority shall be utilised to effect or implement relevant corporate action, including but not limited to, rights offers, acquisition issues and/or acquisitions of any shares in any group company owned by any minorities."

For this resolution to be passed, votes in favour must represent at least 50% + 1 of all votes cast and/or exercised at the meeting.

7. Ordinary resolution number 9: General authority to issue shares and to sell treasury shares for cash

"RESOLVED, as an ordinary resolution, that the directors of the company and/or any of its subsidiaries, be and are hereby authorised, from time to time, by way of a general authority, to:

- allot and issue 11 465 960 shares or options (which represents up to 5% of the company's equity shares at the date of this notice) in respect of all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the capital of the company purchased by subsidiaries of the company; and
- issue shares for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit, subject to the following limitations:

The securities, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue.

Any such issue may only be made to public shareholders, as defined by the JSE Listings Requirements and not to related parties.

The number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 5% (five percent) of the number of issued ordinary shares. This general authority is valid until the earlier of the company's next annual general meeting or expiry of a period of 15 (fifteen) months from the date that this authority is given.

An announcement giving full details will be released when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue.

In determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares.

Whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

At present, the directors have no specific intention to use this authority and the authority will thus only be used if circumstances are appropriate.

The reason for proposing ordinary resolution number 9 is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of the company (excluding shares issued pursuant to the company's share incentive scheme), up to 5% (11 465 960 shares) of the number of ordinary shares of the company in issue at the date of passing of this resolution, in order to enable the company to take advantage of business opportunities which might arise in the future.

For this resolution to be passed, votes in favour must represent at least 75% +1 of all votes cast and/or exercised at the meeting.

8. Ordinary resolution number 10: Authorise directors and/or company secretary

"RESOLVED that any one director and/or the group company secretary of the company or equivalent be and are hereby authorised to do all such things and to sign all such documents that are deemed necessary to implement the resolutions set out in the notice convening the annual general meeting at which these resolutions will be considered."

For this resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

9. Special resolution number 1: Non-executive directors' fees

To approve the remuneration of non-executive directors for the period 1 January 2022 until 31 December 2022.

Approval in terms of section 66(8) and 66(9) of the Companies Act is required to authorise the company to remunerate directors for their services as directors. Furthermore, in terms of King IV™ and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

"RESOLVED as a special resolution in terms of the Companies Act, No. 71 of 2008, as amended, that the remuneration of non-executive directors for the period 1 January 2022 until 31 December 2022 be and is hereby set out as follows:

	2021 Current Rand	2022" Proposed Rand
Chairman of the board	503 533	518 639
Deputy chairman of the board	488 896	503 563
Audit and risk committee chairman	386 634	398 233
Social and ethics committee chairman	379 456	390 840
Remuneration committee chairman	379 456	390 840
Member of a sub-committee	293 723	302 535
Member of the board	206 430	212 623

An increase of 3% is proposed after the board had elected to forfeit an increase in the 2021 calendar year.

In order for this special resolution number 1 to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

10. Special resolution number 2: Authority to repurchase shares

"RESOLVED that the company and any subsidiary of the company, be and are hereby authorised in terms of section 48 of the Companies Act, 71 of 2008, and subject to the provisions of the Companies Act, 71 of 2008, as amended, the JSE Listings Requirements and the memorandum of incorporation, to acquire, as a general repurchase, up to 20% (twenty percent) or 10% (ten percent) where the repurchase is effected by a subsidiary of the ordinary shares issued by the company; provided that:

(i) any such acquisition of ordinary shares shall be effected through the order book operated by the JSE Limited trading system and done without any prior understanding or arrangement between the company and the counter-party;

(ii) authorisation thereto being given by the company's or any subsidiary's memorandum of incorporation;

(iii) the approval shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever period is shorter;

(iv) repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;

(v) at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;

(vi) a resolution is passed by the board of the company authorising the repurchase and confirming that the company has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group;

(vii) an announcement will be published as soon as the company or any of its subsidiaries have acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;

(viii) acquisitions of shares in aggregate in any one financial year may not exceed 20% (twenty percent) of the company's ordinary issued share capital (or 10% (ten percent) where the repurchase is effected by a subsidiary), as the case may be, as at the date of passing of this special resolution;

(ix) the company and/or its subsidiaries may not acquire any shares during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place, where the dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period."

Special resolution number 2 is proposed to authorise the acquisition by the company, and any subsidiary of the company, of the ordinary shares issued by the company.

The board's intention is for the shareholders to pass a special resolution granting the company and its subsidiaries a general authority to acquire ordinary shares issued by the company to enable the company and its subsidiaries, subject to the requirements of the Companies Act, the JSE Listings Requirements and the company's or its subsidiaries' memorandum of incorporation, to acquire ordinary shares issued by the company, should the board consider that it would be in the interest of the company and/or its subsidiaries to acquire ordinary shares issued by the company while the general authority exists. The directors have no specific intention, at present, for the company or any of its subsidiaries to acquire any of the company's shares, but are of the opinion that it is in the best interest of the company and its shareholders to have such a general authority in place to enable the company or any of its subsidiaries to acquire shares issued by the company should the market conditions, tax dispensation and price justify such an action.

In the event that shareholders grant the requested authority to repurchase shares, any decision by the directors to authorise the company or any of its subsidiaries to use the general authority to acquire shares of the company will be taken with regard to the prevailing market conditions and other factors and will be subject to the proviso that, after such acquisition, the directors are of the opinion that:

- the company and the group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of notice issued in respect of the AGM; and
- the assets of the company and the group are in excess of the liabilities of the company and the group.

For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements.

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

11. Special resolution number 3: Financial assistance to related and interrelated parties

The company would like the ability to provide financial assistance, in appropriate circumstances and it the need arises, in accordance with section 45 of the Companies Act. This authority is necessary for the company to provide financial assistance in appropriate circumstances. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and parties have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of the shareholders, as set out in special resolution number 3. Therefore, the reason for, and effect of, special resolution number 3 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the group entities.

"RESOLVED that, subject to the company's Memorandum of Incorporation and subject to the requirements of the Companies Act No. 71 of 2008 the board of directors of the company may authorise the company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act No. 71 of 2008, by way of loans, guarantees, the provision of security or otherwise to:

- any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act No. 71 of 2008) to the company for any purpose or in connection with any matter, including but not limited to, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, such authority to endure for a period of not more than two years."

In order for this special resolution number 3 to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

12. To transact such other business as may be transacted at an annual general meeting

Litigation statement

Other than disclosed or accounted for in the Annual Financial Statements, the directors of the company, whose names appear on page 1 of this report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had a material effect on the group's financial position in the 12 months preceding the date of this notice of annual general meeting.

Material changes

Other than the facts and developments reported in the Annual Financial Statements, there have been no material changes in the affairs, financial or trading position of the group since the signature date of the integrated annual report and the posting date.

Further disclosure required in terms of the JSE Listings Requirements are set out in accordance with the reference pages in the Annual Financial Statements of which this notice forms part:

- directors and management – refer to inside front cover of the integrated annual report;
- major shareholders of the company – refer to the Annual Financial Statements;
- directors' interest in the company's shares – refer to the Annual Financial Statements; and
- share capital of the company – refer to the Annual Financial Statements.

Identification, voting and proxies

In terms of section 63(1) of the Act, any person attending or participating in the annual general meeting must present reasonable satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include the presentation of valid identity documents, drivers' licences and passports.

The votes of shares held by share trusts classified as Schedule 14 Trusts in terms of the JSE Listings Requirements will not be taken into account at the annual general meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Jasco shareholders with own-name registrations who cannot attend the annual general meeting, but who wishes to be represented thereat. To be valid, completed forms of proxy must be received by the transfer secretaries of the company, JSE Investor Services (Pty) Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, by no later than 14:00, 3 February 2022. Provided that should the transfer secretaries or the company secretary receive a Jasco shareholder's form of proxy less than 48 (forty-eight) hours before the annual general meeting, such Jasco shareholder will also be required to furnish a copy of such form of proxy to the chairman of the AGM before the appointed proxy exercises any of such Jasco shareholder's rights at the AGM (or any adjournment of the annual general meeting).

All beneficial owners of Jasco shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee as the case may be. Should such beneficial owners wish to attend the meeting in person they must request their CSDP, broker or nominee to issue them with the appropriate letter of authority. If shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration and who are entitled to attend and vote at the annual general meeting do not deliver forms of proxy to the transfer secretaries timeously, such shareholders will nevertheless, at any time prior to the commencement of the voting on the resolutions at the annual general meeting be entitled to lodge the form of proxy in respect of the annual general meeting, in accordance with the instructions therein with the chairman of the annual general meeting.

Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of Jasco) to attend, speak and vote in his/her stead. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

Jasco does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Jasco shareholder of the annual general meeting.

By order of the board

MCP Managerial Services (Proprietary) Limited
Group company secretary

Midrand
31 December 2021

Form of Proxy

Jasco Electronics Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1987/003293/06)
Share code: JSC ISIN: ZAE000003794
("Jasco")

For use ONLY by certificated shareholders and own-name dematerialised shareholders at the annual general meeting of Jasco shareholders to be held entirely over Google Meet videoconference on Monday, 7 February 2022 at 14:00 or such later time that may be applicable ("the annual general meeting" or "AGM").

Dematerialised shareholders, other than with own-name registration, must NOT complete this form of proxy and must provide their Central Securities Depository Participant (CSDP) or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

I/We ______________________________ (Please print name in full)

of ______________________________ (address)

being the registered holder/s of ______________ ordinary shares in Jasco, hereby appoint (refer note 1):

1. ______________________________ or failing him/her,
2. ______________________________ or failing him/her,
3. the chairman of the annual general meeting, as my/our proxy to attend, speak and vote on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the shares in the issued capital of Jasco registered in my/our name/s, in accordance with the following instruction (refer to note 2):

	In favour	Against	Own discretion	Abstain
As ordinary resolutions				
To re-elect directors 1. To re-elect MJ Madungandaba who retires by rotation and is eligible and available for re-election				
2. To re-elect MSC Bawa who retires by rotation and is eligible and available for re-election				
3. To elect group audit and risk committee members				
4. To elect group social and ethics committee members				
5. To reappoint Mazars as independent auditors of the company and the group and to note Mr M Fisher as the designated audit partner until the next annual general meeting				
To endorse, through non-binding advisory votes, the company's remuneration policy and its implementation, as set out in the remuneration report contained in the integrated annual report				
6. To approve the company's remuneration policy				
7. To approve the company's remuneration implementation report				
8. To place the authorised but unissued shares under the directors' control				
9. General authority to issue shares, and to sell treasury shares for cash				
10. To authorise directors and/or the company secretary to implement the resolutions set out in the notice convening the annual general meeting				
As special resolutions:				
1. To approve the remuneration to be paid to the non-executive directors for the period 1 January 2022 until 31 December 2022				
2. To provide general authority to acquire ("repurchase") shares.				
3. To authorise financial assistance to related and inter-related companies				

* Insert an "X" in the appropriate spaces above according to how you wish your votes to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit. If you wish to cast your votes in respect of a lesser number of shares than you own in Jasco, insert the number of shares held in respect of which you desire to vote (refer to note 2).

Signed at ______________________ on ______________________ 20__

Signature ______________________________

Any Jasco shareholder entitled to attend and vote at the annual general meeting and at any adjournment thereafter may appoint one or more proxies to attend, speak and to vote in place of such Jasco shareholder. A proxy so appointed need not be a Jasco shareholder.

Please read the notes overleaf.

Notes to the Form of Proxy

In accordance with section 58 of the Companies Act, 71 of 2008

1. A Jasco shareholder may insert the name of a proxy or the names of two alternative proxies of the Jasco shareholder's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the Jasco shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Jasco, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Jasco shareholder or his/her proxy is not obliged to use all the votes exercisable by the Jasco shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this form of proxy when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant Jasco shareholder from attending the annual general meeting and speaking and voting in person threat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of Jasco or waived by the chairman of the annual general meeting of Jasco shareholders.
6. Any alterations or corrections made to this form of proxy must be initiated by the signatory/(ies).
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Jasco.
8. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to and received by the transfer secretaries, JSE Investor Services (Pty) Limited, at 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 or meetfax@jseinvestorservices.co.za or the company secretary at Corner of Alexandra Avenue and 2nd Street, Halfway House, Midrand, 1632 (PO Box 860, Wendywood, 2144), by no later than 14:00 on Thursday, 3 February 2022, being no later than 48 (forty-eight) hours before the annual general meeting to be held at 14:00 on Monday, 7 February 2022, provided that should the transfer secretaries or the company secretary receive a Jasco shareholder's form of proxy less than 48 (forty-eight) hours before the annual general meeting, such Jasco shareholder will also be required to furnish a copy of such form of proxy to the chairman of the AGM before the appointed proxy exercises any of such Jasco shareholder's rights at the AGM (or any adjournment of the general meeting).
9. Documentary evidence of all meeting participants, including proxies, must be attached to this proxy, unless previously recorded by the company secretary. CSDPs or brokers registered, voting on behalf or at the instruction of the form beneficial owners of shares registered, are requested that they identify the beneficial owners in the register on whose behalf they are voting and return a copy of the instruction of such owner to the company secretary or to the Transfer Secretaries, JSE Investor Services (Pty) Limited.
10. The chairman of the annual general meeting may accept or reject any form of proxy, in her/his absolute discretion, if it is completed other than in accordance with these notes.
11. If required, additional forms of proxy are available from the transfer secretaries of Jasco.
12. Dematerialised shareholders, other than with own-name registration, must NOT complete this form of proxy and must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders.
13. The directors have not made any provision for the electronic participation at the AGM.

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