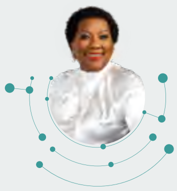
JASCO
INSPIRE.INNOVATE.

INTEGRATED ANNUAL REPORT 2022

Contents

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

Dr Nkateko Munisi
Non-executive director

Pete da Silva
Alternate non-executive director

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 2021 to 30 June 2022.

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 with the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the measurement and recognition requirements of the Financial Reporting Pronouncements under the supervision of Liska Prigge CA(SA). The results contain, as a minimum, the information required by IAS 34 Interim Financial Reporting. The abridged financial statements included in this report, which were derived from the audited consolidated financial statements for the year ended 30 June 2022 have not been audited or reviewed.

The directors take responsibility for the preparation of the abridged financial statements and for the correct extraction of the financial information from the underlying audited financial statements. The external 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.

DETERMINING OUR MATERIAL MATTERS

Below, we set out the process we followed to identify our 2022 material matters.

01 Evaluating market trends

02 Discussions at board level

03 Executive management and senior management discussions

04 Reviewing updated risk management reports, including categorising key risks by likely impact

05 Evaluating stakeholder feedback

06 Presenting the material issues for debate and sign off by the board

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 comment on all the information contained in this report. Shareholders are therefore advised to obtain a copy of the auditor's report, together with the accompanying financial information, from the issuer's registered office or at **www.jasco.co.za** for a comprehensive understanding of the nature of the auditor's engagement.

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 its preparation. 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 14 October 2022.

Who we are

Jasco delivers technologies across multiple disciplines of communication and intelligent solutions, security and fire solutions and manufacturing. The group 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

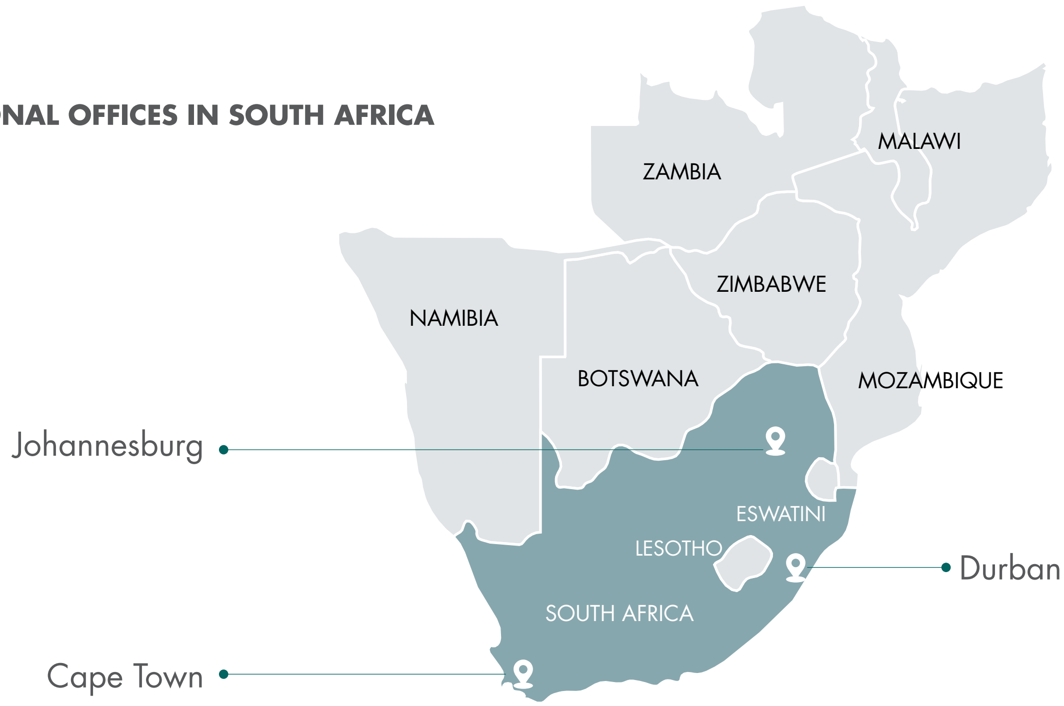
To be a leading smart solutions provider to our customers, enabling our goal of making a balanced and sustainable life possible for all.

Our values

Where we operate

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

REGIONAL OFFICES IN SOUTH AFRICA



CERTIFICATIONS

- ISO 9001:2015 since 2018
- Top Employer since 2019

SECTORS WE OPERATE IN

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

Our group structure

COMMUNICATION SOLUTIONS

WEBB INDUSTRIES
CARRIER SOLUTIONS
DATAVOICE
RAMM TECHNOLOGIES

INTELLIGENT SOLUTIONS

ENTERPRISE
BROADCAST
HI-SITES
CO-LOCATION SOLUTIONS
POWER SOLUTIONS

SECURITY & FIRE SOLUTIONS

SECURITY
FIRE SAFETY

MANUFACTURING*

DOMESTIC APPLIANCES
POOL CARE
ELECTRICAL COMPONENTS

**As the main focus of this business during the last few years has been its plastic moulded products, it has been rebranded from Electrical Manufacturers.*

How we performed

Financial results (continuing and discontinued operations)

Revenue
R665,6 million
(2021: R742,7 million)

PBIT&
R4,7 million
(2021: R23,6 million)

Earnings loss
R15,9 million
(2021: R9,1 million profit)

Financial results (continuing operations*)

Revenue
R662,3 million
(2021: R654,9 million)

PBIT&
R3,2 million
(2021: R5,3 million)

Earnings loss
R17,3 million
(2021: R23,4 million loss)

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

Taxation paid
R3,2 million
(2021: R7,6 million)

Net interest paid
R17,0 million
(2021: R24,6 million)

Broad-based black economic empowerment

LEVEL 3
(ICT sector codes)
(2021: Level 3)

57%
Black-owned
(2021: 57%)

36%
Black female-owned
(2021: 36%)

Employees$
393
(2021: 570)
$ *Excludes seasonal contract workers*

Revenue per employee
R1,7 million
(2021: R1,1 million)

Employee remuneration
R183,2 million
(2021: R196,6 million)

Skills development
R1,7 million
(2021: R2,2 million)

Our market context

Although the severe impact of COVID-19 lessened during the year, local and global economies remained fraught with challenges.

In South Africa, the long-term social and economic impact of the COVID-19 restrictions was evident through the volatile social unrest in July 2021 across mainly KwaZulu-Natal and certain parts of Gauteng. This resulted in extensive damage to property and disruptions to business operations in these provinces. This was followed by a national labour strike in October 2021 in response to increased inflationary pressures on the general cost of living.

Natural disasters, such as the flooding in KwaZulu-Natal, exacerbated the economic challenges, with significant disruptions to the key port of entry for imported goods in Durban.

In addition, international conditions added further pressure to the overall business environment due to rising fuel prices following the Russian war in Ukraine. International supply chains were also disrupted due to the impact of new COVID-19 lockdowns in key Chinese cities. This resulted in shortages of key technology products and shipping delays.

Employees

Although certain businesses have adopted a permanent hybrid model of working between the office and home, our Security & Fire Solutions, Manufacturing and Webb Industries business units returned to the office. Certain regional offices were closed, which enabled cost savings. Regular team meetings, virtual business unit and group town hall meetings continue to encourage employee engagement and clear communication across the organisation. The group also implemented surveys to engage with employees within the work environment.

We continued to promote the use of our employee wellness programme to assist and counsel employees on numerous aspects, including their general wellbeing and financial planning.

Customers

Several large corporate customers delayed the return of their entire teams to their offices. Although international travel restrictions continued to hamper customer interactions during the first half of the financial year, our teams were able to conduct physical meetings with international customers in certain regions during the second half of the financial year.

Operations

COMMUNICATION SOLUTIONS

Webb Industries

Webb Industries performed exceptionally well, with strong demand from its major telecommunications customers even in the context of international supply chain constraints and shipping delays.

DataVoice

DataVoice continued to experience delays of major projects in Eastern Europe and the Middle East from its international channel partners. The easing of international travel restrictions during the second part of the financial year enabled key customer visits in these regions. This assisted us to address delayed opportunities, which bodes well for the new financial year.

RAMM Technologies

RAMM Technologies experienced an improvement following its main customer's employees returning to the workplace and the resultant acceleration in activity. We recruited sales and technical employees to support the expected growth of corporate customers.

INTELLIGENT SOLUTIONS

Enterprise

The shift in the contact centre market from premise-based to cloud-based solutions gained momentum during the financial year. This is expected to continue going forward. As several major financial institutions are considering the migration to cloud, it presents a key opportunity for Enterprise with its world-class international partners. The Co-location operation was integrated into Enterprise at the financial year-end, which will result in additional cost savings.

Broadcast

The Broadcast market was challenging, with delays in capital projects from major customers in South Africa. The increase in internet streaming platforms disrupted the markets for our major broadcast customers. During the year, we secured new original equipment manufacturer partners for streaming technologies. This will enable us to target new market segments, including educational and religious institutions. International travel to the rest of Africa remained problematic during most of the year, which prevented site visits to regional broadcasters.

Hi-Sites and Property Solutions

The Hi-Sites business maintained its revenue levels, with a stringent focus on cost management. The team concentrated on cost savings in security, maintenance and electricity. The Property Solutions business was sold in May to the Reach Group, which also acquired Property Technology Management in 2021.

Power Solutions

Loadshedding from Eskom increased the requirement for power assurance solutions. The focus on green energy also drove demand for solar and power quality offerings.

SECURITY & FIRE SOLUTIONS

Although market conditions improved in this sector, the group discovered gross mismanagement and extensive misrepresentation by the leadership during the last three months of the financial year. Refer to page 27.

MANUFACTURING

Manufacturing was the hardest hit during the financial year due to the social unrest in KwaZulu-Natal, the national strike in October 2021 and a plant-level strike from 9 March to 7 June 2022. The devastating floods in KwaZulu-Natal in April 2022 and the ongoing Eskom load-shedding further exacerbated these conditions. To address these challenges, the business is undergoing a significant restructure.

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.

To meet this growing demand, we continued to develop our offerings to ensure we have a sustainable business that adds value to our customers. Service level agreements, maintenance contracts and subscription offerings are promoted to customers across the portfolio, which increases our base of annuity revenue.

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 interdependent people, processes and systems that rely on digital technology to engage, transact, and share information through a common digital platform for a mutually beneficial purpose.

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.

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 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.

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.

Our strategic priorities

We outlined certain priorities in our report last year. This section provides an update on our progress.

BUSINESS UNITS

	Priorities	Progress
COMMUNICATION SOLUTIONS	• Diversify our customer base through targeting different markets and sectors, embracing product innovations and providing more solutions • Expand into new markets and geographies • Identify new partnerships and nurture existing partnerships	Good progress was made with a Tier 2 telecommunications provider in the SADC region. We secured a new product portfolio from an existing original equipment manufacturer supplier, with pleasing initial market traction in South Africa. We identified new international markets through our international channel partner.
INTELLIGENT SOLUTIONS	• Optimise our solutions and value proposition to meet fast-changing market requirements • Increase annuity revenue through 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	Good progress was made on our priorities during the year. Although growth in the cloud offerings is a key focus, the traditional premise-based customer portfolio remains an important platform for the business. Annuity revenue from cloud offerings increased by 169% off a low base. Costs were well controlled, with efficiencies secured. The Hi-Sites business improved, with a comprehensive audit of sites completed and revenue growth opportunities identified.
SECURITY & FIRE SOLUTIONS	• Expand the customer base through targeting different markets and sectors, product innovations and an increased solutions offering • Identify potential new markets and geographies • Target new partnerships and nurture existing partnerships	As outlined on page 27, this business had significant control weaknesses. The board has decided to exit the fire segment to alleviate ongoing pressure on the rest of Jasco.
MANUFACTURING	• Continue to diversify the customer base • Grow the product offering • Improve margins on existing volumes	The extremely challenging external conditions required us to prioritise corrective actions.

GROUP

Priorities	Progress
Grow revenue through expanding our offering in changing market conditions.	Revenue increased by 1%, with progress achieved in several areas, including: • The Power Solutions quality portfolio expanded our offering with six new customers • DataVoice converted a number of customers with expired service-level agreements to a monthly subscription model • Webb Industries expanded its product portfolio for the enterprise communications market, with five new customers
Address internal funding to assist with profitable growth and market relevance.	With the exception of the Security & Fire Solutions business, all business units generated sufficient cash flow to fund their operations.
Restructure debt to ensure the group remains sustainable.	The group appointed Apeiron Capital, a financial specialist, in November 2021 to assist with the Bank of China negotiations for the working capital facility. Refer to page 26.
Maintain stringent cost control	Costs remained well controlled during the year across all businesses and the head office.

Environmental, social and governance (ESG) strategy

THE GROUP'S BUSINESS STRATEGY TAKES ESG ASPECTS INTO CONSIDERATION

As outlined last year, we are at the start of our ESG disclosures and will continue to improve our reporting going forward. During the year, we reviewed the JSE Sustainability Disclosure Guidance and will evaluate the required disclosure elements for the coming year.

ENVIRONMENTAL

Statements made	Progress
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 117 tCO_2 this year.	We saved 111.9 MWh on electricity, which resulted in a cost saving of R211 108.

SOCIAL

Statements made	Progress
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 Jasco businesses are ISO 9001:2015 certified to entrench quality in our operations.	Jasco's head office, Enterprise, Manufacturing, Webb Industries and DataVoice business units are ISO 9001:2015 certified. No adverse findings were identified during the last external audit and all the businesses received positive feedback from the auditors. Jasco's supplier relationships improved in most of the businesses during the year following the significant COVID-19 impacts.
The group's social engagement strategies focus on employees and their wellbeing. We have been certified as a Top Employer since 2019.	Our employee wellness programme maintained an above-average participation rate, with around 40% of employees making use of the support provided through this programme. We continued to maintain our Top Employer Certification for the third year. Following our successful track record, we have decided to end our participation going forward.
Jasco's remuneration policy aims to attract talent and critical skills in a very competitive skills market. The remuneration policy is designed to motivate individual and team performance, as we support a fair and competitive reward strategy as an employer of choice.	An average salary increase of 3% was granted in January 2022 to qualifying employees for the first time since 2019. As the Manufacturing and Security & Fire Solutions businesses did not meet their targets, no increases were awarded. This will be reviewed in January 2023 in line with the group's annual salary review. Refer to pages 42 to 47 for our remuneration review.

GOVERNANCE

Statements made	Progress
Ethical leadership and good corporate governance are priorities for Jasco. We are committed to adhere to the highest standards of ethical behaviour. The board's integrity, competence, accountability, fairness and level of transparency with its stakeholders are evaluated each year through a board assessment.	Performance reviews were conducted through a combination of one-on-one discussions with board and committee chairmen. These reviews confirmed that the board operates effectively. As required by the amendments to the JSE Listings Requirements, several board procedures were formalised and updated. These included a review of the code of conduct and ethics, procedures for constituting an independent board, review of the directors' dealings policy and updates and changes to directors' disclosures. The responsibilities of the lead independent director and board chairperson were also added to the board charter.
We have various mechanisms in place to prevent and discourage unethical and fraudulent behaviour in the group. This includes an independent ethics hotline for employees, contractors, suppliers or other associates to report any suspected unethical behaviour.	One instance of unethical behaviour was reported to the company secretary during the year. An independent investigator was appointed and based on his findings, disciplinary proceedings were instituted. The employee involved was dismissed. Subsequent to the financial year-end, group management investigated the Security & Fire Solutions leadership team. An external forensic investigation is under way, with initial findings including gross negligence, mismanagement and misrepresentation. The implicated leadership members are no longer with the group.

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 Solutions	Security	Fire
Manufacturing	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

R41,6 million opening shareholders' equity

R20 million opening corporate bond

R131 million opening working capital loan facility

Activities to create value

- Concentrated on revenue mix and cost reductions to improve operating margins
- Restructured businesses to increase focus and lower costs
- Maintained our focus on keeping working capital days below our target of 35 days
- Restructured the Bank of China working capital facility into a new three-year term loan, with monthly payments commencing from January 2022 and a bullet payment on 28 December 2024
- Rights issue of R48,3 million concluded, with the proceeds used to reduce debt by R40 million and the balance to fund the working capital requirements of the group

Outcomes of our activities in 2022

- Revenue from continuing operations was maintained, but margins deteriorated due to losses in Manufacturing and Security & Fire Solutions
- Operating profit from continuing operations declined from **R5,3 million to R3,2 million**
- Earnings decreased to **a loss of R16,3 million** from **a profit of R6,5 million**
- Net working capital days of 29,5 days remained below the target
- Cash generated from operations **increased to R36,7 million from R18,9 million.** This was mainly due to good working capital management
- Gearing decreased from **318% to 118%** following the rights issue and 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

R0,3 million spent to improve manufacturing operations

Activities to create value

- Policies, processes and training implemented to maintain certifications

Outcomes of our activities in 2022

- Maintained our **ISO 9001:2015 certification**

Trade-offs

Investing in our operations requires significant financial, human and intellectual capital inputs. However, these are crucial to produce quality products and maintain long-standing customer relationships and accredited production facilities.

We also use natural capital resources, such as water and electricity. We have implemented several initiatives to limit our impact.

Human and intellectual capital

Inputs

393
permanent employees

Salaries and wages of
R183,2 million

R1,7 million
invested in skills development

Activities to create value

- Stringent focus on safe operations
- Effective internal communication
- Successful succession and empowerment
- Training and development of our employees, including disabled employees
- Certification of technical employees to meet customer requirements
- Online learning and development programme

Outcomes of our activities in 2022

- Ongoing transformation, with **46% female** and **78% black employees**
- **Internal promotions, appointments and succession** within the respective business units
- **Met the sub-minimum requirement** for skills development in our last B-BBEE certification
- **Top Employer certification maintained**

Trade-offs

Investing in attracting, retaining and developing talent has a financial cost. Although this impacts our short-term financial position, the benefits of having an experienced team in place was crucial during the challenging year, with our teams able to act decisively to address new market dynamics.

Social and relationship capital

Inputs

R149,623
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 primary education
- Adherence to regulations and required payments
- Stringent focus on supplier relationships

Outcomes of our activities in 2022

- **Supported our existing social projects** during the year. Delayed certain programmes due to financial constraints
- **R3,2 million** paid in government taxes

Trade-offs

Maintaining effective relationships with a range of stakeholders, including suppliers, communities and regulatory bodies, requires a careful balance between stakeholder interests.

Natural capital

Inputs

R5,2 million spent on electricity

Activities to create value

- Our manufacturing facility focused 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 2022

- Electricity savings of **R211,108 or 111,9 MWh of energy** in the group
- The car park solar solution reduced our carbon footprint by **117 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.

Key risks and material issues

Key risks and material issues	Mitigation actions
FINANCIAL	
GEARING LEVELS AND ABILITY TO SERVICE DEBT	This risk is reviewed and managed monthly with quarterly reports to the audit and risk committee and the board. The funds received from the rights issue reduced debt by R40 million, which improved the debt:equity ratio. The group commenced regular monthly repayments from January 2022.
NOT MEETING THE FINANCIERS' CONDITIONS	The bondholder and the Bank of China (BoC) condoned the group's breach of its covenants in F2021 during the year. After the bondholder agreed to extend the repayment date to 31 January 2022, the outstanding amount was settled in full following the rights issue. During the year, the BoC loan was restructured into a term loan over 36 months and the covenants were met at 30 June 2022. Refer to page 31.
DEMAND OF UNDERPERFORMING BUSINESS UNITS ON THE GROUP'S CASH POSITION	Loss of trade debtors' insurance cover in April 2021 impacted trade finance from certain suppliers. Pleasingly, several suppliers maintained our credit terms due to our consistent payment records in key businesses. Most suppliers to the Security & Fire Solutions business required cash on delivery this year. The business unit also required a capital injection from the group. Following the changes to management in July 2022, major projects were reviewed and action taken to mitigate the operational risks and address the cash flow constraints.
LEASE COMMITMENTS	The group's head office in Midrand was sold to CIH Projects No. 55 (Pty) Ltd, an associated company of Jasco's largest shareholder, Community Investment Holdings (Pty) Ltd, by the existing landlord. CIH Projects provided rental relief to the group for a 12-month period. Refer to page 28. During the year, good progress was made, with an increase in sub-let tenants.

Key risks and material issues	Mitigation actions
FURTHER WEAKENING OF THE CREDIT RATING	The group's credit rating remains unchanged, with a negative outlook. Due to the termination of the corporate bond, no external credit ratings were performed. Meetings were held with credit insurance companies during the financial year, with additional meetings planned following the finalisation of the 2022 audited financial statements.
STRATEGIC AND OPERATIONAL	
ONGOING IMPACT OF COVID-19	As outlined on page 6, although the significant effect of COVID-19 restrictions eased during the year, the longer-term economic and social impact continued to plague the group.
DOWNGRADE IN B-BBEE* RATING BELOW LEVEL 4 COULD IMPACT CERTAIN CUSTOMER CONTRACTS	The group achieved a Level 3 rating during the most recent verification.
RETENTION OF KEY SKILLS AND INVESTMENT IN SKILLS TRAINING	We continued with an online training and development platform and increased employee participation. Where possible, we extended bursaries to employees for career development paths, retention and learning. We partnered with a third-party provider for learnerships for young and disabled individuals.

** Broad-based black economic empowerment.*

Our leadership team

DR ANNA MOKGOKONG (65)

N(C)

Chairman

Joined the board: 2003

Dr. Anna is a medical doctor, co-founder and executive chairperson of Community Investment Holdings, a 100% black-owned company founded in 1995. She is a renowned business leader in corporate South Africa and globally, with widespread experience in healthcare, academia, commerce and governance.

She is recognised as a senior director of companies on the Johannesburg Stock Exchange and serves on listed company boards, including as the non-executive chairperson of Afrocentric Investment Corporation and being the first female director of Shoprite Holdings, the largest retailer in Africa. She has previously served on the board of Adcock Ingram, a leading pharmaceutical company, and Rebosis Limited, a property company.

She also serves on numerous non-listed entities, including being the non-executive chairman of Seriti Coal Holdings, Larimar Limited, Putco Holdings and Crossroads Distribution.

She is a social activist and philanthropist and is passionate about women's empowerment and transformation to effect equality in South Africa.

She was appointed as the Honorary Consul General of Iceland in Pretoria in 2017 and became the first female chancellor of the North-West University in November 2019.

JOE MADUNGANDABA (64)

I(C) N R

Deputy chairman

Joined the board: 2003

Joe is an accountant with significant experience in the South African business world. He is a member of several local and globally listed and unlisted companies. Current board positions include Distell and Afrocentric Investment Corporation.

He is the group chief executive officer of Community Investment Holdings. His ability to identify lucrative business opportunities has enabled the company to show consistent growth.

He is a recipient of the prestigious Black Management Forum Manager of the Year award and has assisted government policy on taxation, reconstruction and development. He has also chaired the Northern chapter of the Association for the Advancement of Black Accountants of Southern Africa.

He studied Commerce at the University of the North (UNISA), Cranfield School of Management (UK) and Wharton Business School (USA). He is a fellow of the Institute of Commercial and Financial Accountants of Southern Africa.

WARREN PRINSLOO (50)

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 that position. During his years as CFO, 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 (42)

CFO

Joined the board: 2021

Liska was appointed as the CFO on 1 March 2021. She joined Jasco as the group finance executive in July 2007 and was promoted to the position of divisional financial director of ICT-Enterprise. in 2017. 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 (66)

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.

Other directorships include Verstay, Pumlano Properties, Makeshift 1187 and Rushtail 4.

DANIE DU PLESSIS (68)

A(C) I

Independent non-executive director

Joined the board: 2018

Danie is a highly experienced business development professional, specialising in accounting and financial consultancy services. He has strong finance and assurance skills after many years in high-level roles. He was a partner at PwC until his retirement in 2014. He is a member of a number of boards and audit committees and serves as chairman of the board of an unlisted public company.

SHAHEEN BAWA (63)

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 (41)

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. She is the founder of MoneyWorks Financial Services, a digital supply chain financing fund and platform.

She is also an independent non-executive director on the boards of Old Mutual SuperFund's Defined Contribution Umbrella Retirement Fund, Ince, Old Mutual Insure and Thebe Investment Corporation. She is or has been a member or chairman of the audit and risk committees of several of these companies. Thandeka is also a previous first vice president of the Advancement of Black Accountants of Southern Africa.

DR NKATEKO MUNISI (56)

I

Non-executive director

Joined the board: 2022

Nkateko is a qualified and practising medical doctor, with extensive experience in the medical industry. He has served on numerous committees, boards and panels during his career. He is the chairman of the medical panel at the Eskom Pension and Provident Fund. He is also a representative of the Public Investment Corporation in a healthcare infrastructure fund, RH Managers, and the chairman of the advisory board. He is a non-executive director of Afrocentric Investment Corporation and chairman of Resultant Finance, an asset finance and leasing solutions company.

PETE DA SILVA (62)

Alternate non-executive director

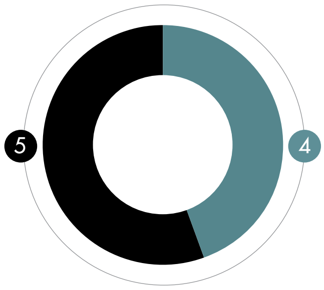
Joined the board: 2009

Pete joined the board as an independent non-executive director and was appointed as group CEO in 2011. He held this position until his retirement in June 2018 when he became an alternate 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.

- **A** Audit and risk committee
- **I** Investment committee
- **N** Nominations committee
- **R** Remuneration committee
- **S** Social and ethics committee
- **(C)** Chairman

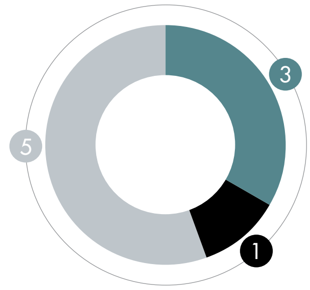
Board demographics

Gender diversity



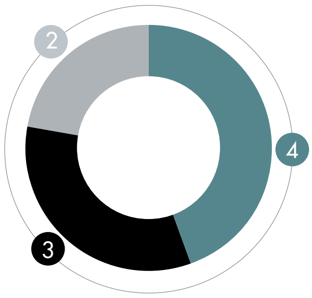
- Female
- Male

Race diversity



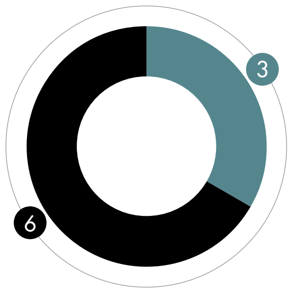
- White
- Indian
- Black

Independence



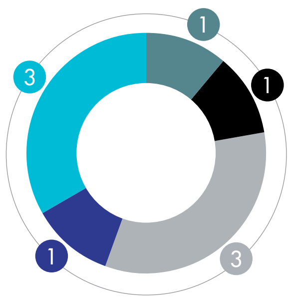
- Independent non-executive
- Non-executive
- Executive

Age



- 40 – 55 years
- 56 – 70 years

Tenure



- 0 – 1 year
- 1 – 2 years
- 2 – 4 years
- 5 – 9 years
- 16 – 19 years

Key performance areas for our leadership team

The leadership team has 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

Key performance areas	Performance
Leadership	The board **reviews the performance of the CEO** each year.
Group strategic development, with a focus on: • Transformation within the group • Maintenance of our status as a Top Employer • Review of the group's business portfolio • Further restructure of the group	• **Achieved a Level 3 rating** • **Maintained Top Employer certification** for the third year • An ongoing **review of the portfolio continued** in 2022, with the disposal of Jasco Property Solutions • Manufacturing and Security & Fire Solutions are currently being **restructured**
Group financial performance	The **group's performance improved significantly during the first half** before a very difficult second half, particularly in Manufacturing and Security & Fire Solutions. The group **delivered a very disappointing loss for the financial year** and did not meet its financial targets. **The CEO did not receive any bonus.**
Safety, health, environment and quality (SHEQ)	There were **no reported work-related fatalities or significant injuries** on duty. A comprehensive **SHEQ audit was undertaken** to ensure ongoing compliance with health and safety standards.
Customer focus	The group **increased marketing and business development** during the year. Although the Net Promoter Score was not measured, business unit management **increased their levels of customer engagement** and in some instances **conducted customer satisfaction surveys.** The head office executive management provided **active support and directly engaged with key customers** in Manufacturing and Security & Fire Solutions.
Stakeholder communication and development	**Regular communication** with key stakeholders was maintained. **Positive informal feedback** was received from shareholders, customers and suppliers.

Chief financial officer (CFO) – LISKA PRIGGE

Key performance areas	Performance
Leadership	The board audit and risk committee **reviewed and noted their satisfaction** with the CFO's performance.
Group financial performance	The **group's performance improved strongly during the first half** before a very difficult second half, particularly in Manufacturing and Security & Fire Solutions. The group therefore **delivered a very disappointing loss for the financial year** and did not meet its financial targets. **The CFO did not receive any bonus.**
B-BBEE	**The group achieved a Level 3 rating.**
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 was maintained. **Positive informal** feedback was received from shareholders, customers and suppliers.

Executive committee

Key performance areas	Performance
Leadership	**Positive leadership skills** were displayed in the year under review, with several **executives increasing their responsibilities.**
Group financial performance	The **group's performance improved strongly during the first half** before a very difficult second half, particularly in Manufacturing and Security & Fire Solutions. The group therefore **delivered a very disappointing loss for the financial year** and did not meet its financial targets. **The executive committee members did not receive any bonuses for the year under review.**
B-BBEE	**The group achieved a Level 3 rating.**
SHEQ regulations	A **comprehensive SHEQ audit was conducted** to ensure ongoing compliance with health and safety.
Compliance and legislation	**Internal, external and ISO audits** were successfully conducted.
Socio-economic development (SED)	The **minimum spending requirements** were met.
Stakeholder relationships	**Regular communication** with key stakeholders was maintained. **Positive informal feedback** was received from shareholders, customers and suppliers. The group **maintained its Top Employer certification.**
Teamwork	**The executive committee** worked well as a team during the year.

Chairman's review

DR ANNA MOKGOKONG

Chairman

New equity raised

R47,2 million

JASCO'S FINANCIAL YEAR TO 30 JUNE 2022 CONTINUED TO BE EXTREMELY CHALLENGING, WITH SEVERAL FACTORS IMPACTING THE GROUP'S TURNAROUND EFFORTS.

Market context

During the year under review, the group was faced with social unrest in mainly KwaZulu-Natal in July 2021, the national NUMSA strikes in October 2021, a three-month plant level strike in 2022 at its Manufacturing business, ongoing international supply chain disruptions and product shortages, as well as continued Eskom loadshedding.

These factors significantly affected the group's performance and resulted in a loss-making position following pleasing operating profit and earnings improvements for the comparative period and the 2022 interim results.

In addition to managing the effects of these dynamics, the team continued with corrective action to restore stability to the organisation.

Addressing the group's financial position

Following the group's restructuring during the year, the board and management team continued to address the group's financial position. These actions included:

- Customer diversification and new product offerings across the businesses, whilst maintaining tight cost control
- Optimising its portfolio with the disposal of Jasco Property Solutions in May 2022
- A rights issue and the related debt reductions
- The acquisition of the Midrand property by CIH Projects No 55 (Pty) Ltd, an associated company of Jasco's major shareholder, Community Investment Holdings (Pty) Ltd, and the renegotiation of a new lease agreement (approved by shareholders on 15 September 2022)

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

26 Please refer to the CEO's review for more information on the progress made in addressing our key issues.

Governance

The board continued its commitment to effective governance. During the year, we appointed a new non-executive director, Dr Nkateko Munisi, following the investment of R25 million by Golden Pond in the group's rights issue. Dr Munisi has added business development skills to the board and we look forward to working with him.

The non-executive and independent non-executive board members remain evenly represented. The majority of audit and risk committee members are chartered accountants with the requisite financial expertise and experience. There is an appropriate spread of committee workload between the non-executive directors.

The group achieved a broad-based black economic empowerment (B-BBEE) rating of Level 3 even after the cost pressures on spending in areas such as skills development and supplier and enterprise development.

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

Appreciation

I 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 appreciate your dedication.

I also extend my appreciation to Warren and the executive team for taking decisive steps to improve the stability of the group and implementing corrective action where required.

Looking forward

With the various corrective actions taken, the board is confident that Jasco can deliver an improved performance in the new financial year. The group and team have demonstrated resilience in dealing with external factors and internal challenges. With the financial situation stabilising, the team can complete the turnaround of the group.

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

- Continue the evolution of the medium- to long-term strategy and business model of the group
- Identify further initiatives to return Jasco's balance sheet to optimal levels, with further debt reduction
- Meet the transformation goals to maintain a Level 3 B-BBEE rating
- Work with management to ensure ongoing improvement in business unit performance

Lastly, to our shareholders, old and new, thank you for supporting the rights issue and continuing the journey of stabilising Jasco and positioning the group for future growth.

DR ANNA MOKGOKONG
14 October 2022

Chief executive officer's review

WARREN PRINSLOO
Chief executive officer

Reduced the gearing ratio from

318% to 118%

THE 2022 FINANCIAL YEAR WAS CHARACTERISED BY GOOD PROGRESS DURING THE FIRST TWO-THIRDS OF THE YEAR, FOLLOWED BY SEVERAL UNEXPECTED SETBACKS IN THE FINAL FOUR MONTHS.

Unfortunately we delivered an operating loss this year, with very disappointing results in the Security & Fire Solutions and Manufacturing businesses.

The following businesses improved from the previous financial year:

- Webb Industries
- RAMM Technologies
- Co-location Solutions
- Power Solutions

The following businesses fell short of planned expectations, but did not require cash flow support from the group:

- Enterprise & Broadcast
- Hi-Sites
- DataVoice
- Manufacturing

Security & Fire Solutions required substantial cash flow support from the group. Refer to the Operational Reviews for more information on the operating performances.

Addressing the group's sustainability

As a management team we continued with our unrelenting focus on ensuring a more sustainable position for Jasco.

To assist us to address the overall debt levels and future growth and profitability of the group, we appointed a specialist financial advisory firm, Apeiron Capital (Pty) Ltd (Apeiron). Apeiron assisted the group with the negotiations for the renewal of term loan facilities with the Bank of China. This was successfully concluded in December 2021. Apeiron was mandated to provide specialist advice to the board and management team on the group's strategy, with a particular focus on driving profitability and restructuring loss-making business units. Apeiron will also assist the group with a roadshow to debt funding market participants to evaluate various options for debt refinance and syndication.

The leadership team's actions during the year included:

DEBT RESTRUCTURE AND CAPITAL RAISE

The rights issue in February 2022 resulted in a capital injection of R48,3 million before costs. This was unfortunately R6,7 million below our target of R55 million. Following the rights issue, the corporate bond was fully settled through a set-off of R20,0 million and the Bank of China (BoC) loan was reduced by R20,0 million. From January 2022, monthly capital repayments commenced, which reduced the capital amount owing to R108,2 million at 30 June 2022.

ADDRESSING THE UNDERPERFORMING BUSINESSES

We uncovered gross mismanagement and extensive misrepresentation by Security & Fire Solutions' leadership during the final three months of the financial year. As a smaller business and a close team, we have always been proud of our collaborative approach and the trust we put in our management teams. We are deeply disappointed by these actions.

We launched a forensic investigation in late July 2022 to evaluate the extent of mismanagement. Initial findings have uncovered significant misrepresentation.

We have taken decisive action, with immediate changes made to the business' management team in July 2022 and in-depth involvement in the business from the head office executive team. Following the changes to the senior management in July 2022, a Section 189 restructure was announced on 1 August 2022.

An evaluation of the operations, customer and sales pipeline, suppliers and trade terms and the organisational structure was conducted, with assistance from an external independent industry expert.

Following the review, a report was presented to the board. To prevent ongoing pressure on the rest of Jasco, the decision was taken to restructure Security & Fire Solutions and exit the loss-making fire segment. This is in line with the group's core offering of providing technology solutions to the market.

Manufacturing was severely impacted by a plant level strike between March and June 2022. Due to the significant operating losses caused by the strike, a Section 189 review of the business commenced. We unfortunately had to dismiss 123 production employees in June 2022 due to gross misconduct and breach of the picketing rules during the strike.

The business unit is being repositioned in response to the existing customer demand and market conditions. Craig Unsworth and his management team have demonstrated their resilience and fortitude in weathering this crisis, and we have confidence in their ability to return the business to profitability in the coming year.

PORTFOLIO REVIEW

The Jasco Property Solutions business was sold to the Reach Group in May 2022.

28 Refer to the CFO's report for more information.

Strategy update

The board and senior management, with the assistance of the Apeiron team, conducted a detailed strategic review of the group and its operations during the year. With the exception of the Security & Fire Solutions business unit, the board was satisfied with the current strategy. A zero tolerance approach was taken with businesses that did not demonstrate an ability to return to profitability. Continued cost control and the reduction of debt remains a priority.

Refer to pages 8 to 12 for information on our strategy.

Outlook

The economic outlook remains extremely uncertain, with the local and international environment impacted by several factors, ranging from political instability, inflationary pressures, unreliable electricity supply and supply chain shortages and delays.

The corrective actions we took this year have improved our ability to operate in these uncertain conditions.

The majority of our businesses were profitable this year, with good order books and cash generation.

The two businesses that dragged us into a loss-making position in the last few months of the financial year have been restructured, with an improved outlook.

With the assistance from Apeiron and the co-operation of the Bank of China, we are confident that we will find a suitable new commercial banking partner in the coming year.

Appreciation

I express my deep appreciation to the board for the support during a very difficult year, with many hours of debates about the best way forward. Thank you also to the management team who worked closely with me every step of the way and to our employees for your continued dedication. We have a strong and capable team and I look forward to working with you in the coming year.

To our shareholders and funding partners, we are extremely grateful for your ongoing commitment to Jasco.

WARREN PRINSLOO
14 October 2022

Chief financial officer's review

LISKA PRIGGE

Chief financial officer

Net increase in cash and cash equivalents of

R9,0 million

IN SOUTH AFRICA, THE LONGER-TERM SOCIAL AND ECONOMIC IMPACT OF COVID-19 WAS EVIDENT THROUGH THE VOLATILE SOCIAL UNREST IN JULY 2021 ACROSS MAINLY KWAZULU-NATAL AND CERTAIN PARTS OF GAUTENG.

Introduction

CONTEXT TO THE RESULTS

Sale of the corporate property

With effect from 1 January 2022, the property leased in Midrand was sold by the existing landlord to CIH Projects No 55 (Pty) Ltd (CIH Projects), an associated company of Community Investment Holdings (Pty) Ltd. As part of the sale agreement, a credit was granted to Jasco for the October and November 2021 rental amounts, and the occupational rent was reduced for a period of six months (January 2022 to June 2022).

The cash flows relating to the existing lease were adjusted to reflect the change in the lease, resulting in a gain on the lease modification of R16,3 million and a waiver of the liability to the previous owner of R2,5 million.

Jasco entered into a new 10-year lease with CIH Projects from 7 July 2022. The monthly rent is R950 000 and escalates at the annual average CPI on the anniversary date of the lease. This agreement was approved by the majority of the independent shareholders at a general meeting on 15 September 2022, as it represented a related party transaction.

To assist the group with its operating cash flows, CIH Projects has agreed to provide rental payment relief for 12 months.

Disposals

With effect from 1 June 2022, Jasco sold its investment in Jasco Property Solutions (JPS) to Reach Group for R0,5 million, resulting in a profit of R1,6 million due to the negative net asset value of the entity. The initial investment was fully impaired. The transaction consideration consists of the following two contingent payments:

- R272 582 on the successful renewal of five identified lease agreements
- R272 583 if JPS achieves a targeted annual gross profit for the 12 months from 1 June 2023 to 31 May 2024 of R1,5 million or more. This will be paid within 60 days of 31 May 2024

In addition to the transaction consideration, the inter-group loan granted to JPS of R354 835 was settled subsequent to the financial year-end.

Reflex Solutions and Property Technology Management (PTM) were disposed of in the previous financial year, and disclosed as discontinued operations. The comparative information has been restated to enable a like-for-like comparison.

Financial results

STATEMENT OF COMPREHENSIVE INCOME

Continuing operations

Revenue of R662,3 million improved by 1.1% (2021: R654,9 million). The gross profit deteriorated by 14.5% to R173,8 million (2021: R203,2 million) due to the operating gearing effect from the lower volumes in Security & Fire Solutions and Manufacturing. This resulted in a gross margin percentage of 26.2% (2021: 31.0%).

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

(R'000)	**2022**	2021	% change	% of total
Communication Solutions	**318 840**	221 652	43.8%	48%
Intelligent Solutions	**175 539**	194 836	(9.9%)	26%
Security & Fire Solutions	**28 096**	44 034	(36.2%)	4%
Manufacturing	**145 790**	200 307	(27.2%)	22%

Operating profit decreased by 40.1% to R3,2 million from R5,3 million, mainly due to the losses suffered by Manufacturing and Security & Fire Solutions. Refer to the Operational reviews on page 33 for more information. Operating margin therefore declined from 0.8% to 0.5%.

Net finance costs of R16,5 million decreased from the corresponding period's R24,0 million, following the settlement of the corporate bond, the repayment on the BoC working capital facility and the decrease in the interest expense relating to the modified lease liability.

The taxation charge of R3,9 million compares to R4,7 million in 2021 and includes the de-recognition of R1,0 million in foreign tax credits that had prescribed. The effective tax rate is higher than the standard rate due to the prescribed tax credits and the continued conservative approach regarding the recognition of deferred tax assets on tax losses and various non-deductible expenses. This resulted in higher taxable income. The main item included in non-deductible expenses is the interest paid on the corporate bond.

The minorities' share of profits increased to R380 000 from R36 000 due to the higher profit after tax in RAMM Technologies.

Discontinued operations

The profit from the discontinued operations consists of:

(R'000)	**2022**	2021
Loss after tax – JPS	**(250)**	(72)
Profit on disposal after tax – JPS	**1 588**	–
Profit after tax – Reflex	**–**	4 869
Profit on disposal after tax – Reflex	**–**	2 278
Equity accounted income – Reflex	**–**	19 184
Profit after tax – PTM	**–**	494
Profit on disposal after tax – PTM	**–**	5 669

Earnings

The earnings attributable to ordinary shareholders are:

Cents per share	**2022**	2021
Earnings and diluted earnings per share	**(5.9)**	2.9
– From continuing operations	**(6.4)**	(10.4)
– From discontinued operations	**0.5**	13.3
Headline earnings and diluted headline earnings per share	**(6.4)**	(0.6)
– From continuing operations	**(6.3)**	(10.4)
– From discontinued operations	**(0.1)**	9.8

The weighted average number of shares in issue increased to 278 561 061 shares following the rights issue on 7 February 2022 (2021: 224 446 129 shares).

The difference between the earnings and headline earnings per share relates to the profit on disposal of JPS and an after tax loss on the disposal of fixed assets.

STATEMENT OF CASH FLOWS

The group achieved a net increase in cash and cash equivalents of R9,0 million (2021: R2,4 million).

Cash generated from operating activities (continuing and discontinued) reflected an inflow of R36,7 million (2021: R18,9 million) and was offset by net interest payments of R17,0 million (2021: R24,6 million), as well as income tax paid of R3,2 million (2021: R7,6 million). This resulted in net cash inflow from operating activities of R16,5 million (2021: R13,3 million outflow).

The cash inflow from investing activities of R5,4 million (2021: R73,3 million) mainly related to the continued repayments on the loan granted to an Enterprise customer in 2018 of R3,5 million (2021: R3,3 million) and R3 million on the deferred proceeds on the disposal of PTM. This was partially offset by additions to fixed assets of R1,3 million.

Cash flows from financing activities reflected an outflow of R12,9 million (2021: R57,6 million), mainly on the repayment on finance leases of R16,8 million (2021: R14,3 million). The net cash inflow from the rights issue amounted to R7,2 million, as R20,0 million was netted off against the corporate bond and R20,0 million paid directly to the Bank of China. Other outflows relate to loan repayments of R3,3 million (2021: R43,3 million).

Significant balance sheet items

GOODWILL

Goodwill remained unchanged at R 41,4 million and consists of:

R'000	**2022**	2021
Carrier Solutions	**32 370**	32 370
RAMM Technologies	**8 374**	8 374
Manufacturing	**611**	611

At the reporting date, the goodwill was tested for impairment using a value-in-use approach.

The cash flow projections are discounted to the present value, using pre-tax discount rates appropriate to the cash-generating unit the asset belongs to. Revenue, gross margins and profit before tax for the first year is based on budgets approved by the board of directors. The revenue growth assumption is therefore based on an inflationary increase. Gross margins and profit before tax increases over the forecast period for anticipated efficiency improvements on future cash flow projections. A long-term growth rate of 1.0% (2021: 0.8%) was assumed into perpetuity.

The future cash flows were not impacted by the losses suffered during the social unrest that occurred in July 2021, nor the floods experienced by KwaZulu-Natal. The future cash flows for Manufacturing have been impacted by the loss in business following the three-month plant level strike.

The discount rate calculation is based on the specific circumstances of the group and the cash-generating unit and is derived from the group's weighted average cost of capital. Growth rate estimates are conservatively applied to each unit while considering both industry-expected growth rates and internal targets. The group does not anticipate exceeding the long-term average growth rates of the industry.

The key assumptions relating to each cash-generating unit are:

	Pre-tax discount rate	**Gross profit margin**
Carrier Solutions	**16.3%**	**69%**
RAMM Technologies	**15.8%**	**61%**
Manufacturing	**14.8%**	**17%**

Based on this assessment, no impairments in these goodwill balances are required.

DEFERRED TAXATION ASSETS AND LIABILITIES

The net deferred taxation balance consists of:

R'000	**2022**	2021
Deferred tax asset	**15 771**	18 256
Deferred tax liability	**(1 306)**	(1 183)
Net deferred tax asset	**14 465**	17 073

The balance is consists of:

R'000	**2022**	2021
– amortisation of intangibles	**(3 907)**	(5 916)
– income received in advance	**10 705**	13 007
– section 24C allowance	**(1 685)**	(6 336)
– accelerated depreciation	**(2 206)**	(1 117)
– capitalised costs	**84**	261
– contingent consideration	**(403)**	(293)
– deferred gains and losses on foreign currency contracts	**(16)**	(94)
– deferred lease payments and income	**–**	(208)
– impairment of receivables	**340**	452
– lease agreements	**1 389**	7 178
– prepayments	**(782)**	(2 131)
– provisions	**3 249**	3 183
– retentions	**–**	(572)
– taxation losses	**7 697**	9 659
	14 465	17 073

The group maintained its conservative view regarding the recognition of a deferred tax asset on calculated tax losses, and has unutilised tax losses of R190,3 million, for which an asset has not been recognised.

SOURCES OF FUNDING

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

R'000	**2022**	2021
Equity holders of the parent	**61 359**	30 421
Non-controlling interests	**11 566**	11 186
Total shareholders' equity	**72 925**	41 607
Lease liabilities (related to right-of-use assets)		
– Non-current	**17 503**	58 501
– Current	**7 207**	19 063
Instalment sale agreements (asset financing)		
– Non-current	**31**	205
– Current	**209**	784
Corporate bond – current	**–**	20 197
Bank of China (BoC) term loan (2021: working capital loan)		
– Non-current	**98 869**	–
– Current	**9 600**	131 038
Insurance payment plan – current	**808**	808
Project funding loan	**6 066**	–
Bank overdrafts	**478**	592
Total borrowings	**140 771**	231 188
Cash and cash equivalents	**29 861**	20 964
Borrowings net of cash	**110 910**	210 224
Borrowings net of cash (excl lease liabilities)	**86 200**	132 660
Debt: equity ratio	**152.1%**	505.3%
Debt: equity ratio (excluding lease liabilities)	**118.2%**	318.8%

A facility of R150 million from the Bank of China was raised in 2017 as a working capital loan. This decreased to R130 million on 27 February 2021. The working capital loan bore interest at the three-month JIBAR plus 330 basis points, which was payable on a quarterly basis. The capital was repayable in one instalment by 27 December 2021.

With effect from 28 December 2021, the working capital loan was restructured into a new 36-month term loan, bearing interest at the one-month JIBAR plus 480 basis points, which is payable monthly. A guarantee was issued by Golden Pond Trading 175 (Pty) Ltd. This expired on the conclusion of the rights offer. The repayment plan is:

- R20 million from the proceeds of the rights issue
- Monthly payments of R300 000 from January 2022, increasing to R800 000 in July 2022
- Final payment of R84 700 000 by 28 December 2024

Under the Bank of China loan, the holding company (including the major subsidiaries) is required to comply with the following financial covenants, which were met at 30 June 2022:

- Debt to equity ratio to not exceed a level of 150% (actual 99%)
- Current and quick ratios not to reduce below 1.2:1 and 0.8:1 respectively. (actual 1.6 and 1.1)
- Interest cover (profit before interest and tax divided by net finance costs) to be maintained at a minimum of 1.5 times (actual 3.1)

The loan is secured by a cession of the debtors of the major subsidiaries of the group and a general notarial bond of R100 million over the movable assets.

The group has a targeted debt:equity ratio of 1:1 (excluding lease liabilities). The group unfortunately remains above this, mainly due to the losses suffered in Manufacturing and Security & Fire Solutions.

Solvency, liquidity and going concern

At 30 June 2022, the group had accumulated losses of R268,5 million (2021: R252,2 million), with a reported loss of R16,3 million (2021: profit of R6,5 million). In addition, the losses suffered by Security & Fire Solutions have placed a strain on the cash flow of the entire group. This casts doubt on the group's ability to continue as a going concern.

Based on the support received from CIH Projects, the restructure of Security & Fire Solutions, the planned recovery in Manufacturing and the anticipated revenue for the group, the board believes there is sufficient finance available to continue operating. Accordingly the financial statements have been prepared on a going-concern basis.

Audit opinion

The external auditors issued an unqualified audit report on the underlying audited financial statements, with an emphasis of matter related to going concern, as detailed below and with the recognition of the deferred tax asset and goodwill assessment as key audit matters.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the consolidated and separate annual financial statements, which indicate that the group reported a retained loss of R268 million (2021: R252 million) and that the company reported a retained loss of R233 million (2021: R235 million) for the year ended 30 June 2022. The group and company's current assets exceeded its current liabilities by R69 million [2021: net current liability position of R78 million] and R98 million [2021: net current liability position of R39 million] respectively.

These events or conditions, along with other matters as set forth in note 34 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.

Outlook

Jasco's most pressing issue remains its high levels of debt and its financial underperformance. Further debt reduction will be required through a capital injection by its major shareholder/s.

If the group's major shareholder invests further without equity contributions from the rest of the shareholders, the free float trading on the stock exchange will fall to unacceptably low levels in terms of the JSE Regulations. This may trigger an assessment of the viability of being listed on the stock exchange. A potential delisting from the stock exchange will reduce complexity and assist with future cost reductions for the group.

Management will continue to work with the Aperion team and the Bank of China to find a new commercial banking partner in the 2023 financial year.

Dividend proposal

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

Appreciation

Thank you to my colleagues and the board for their support. To the financial team, I appreciate the significant hours spent on delivering on our financial reporting requirements.

LISKA PRIGGE
14 October 2022

COMMUNICATION SOLUTIONS

Results overview

	REVENUE	OPERATING PROFIT
2022	R318,8 million **47.7%** of group total	R35,4 million **11.1%** margin
2021	R221,7 million 33.5% of group total	R8,4 million 3.8% margin

Communication Solutions delivered pleasing results following increased spending by a key telecommunications customer. This included higher-margin projects in Webb Industries and volumes from a new Tier 2 telecommunications customer in the SADC region.

The DataVoice business continued to experience key project delays in Eastern Europe and the Middle East from its multi-national channel partners. RAMM Technologies delivered a steady performance on its annuity-based service revenues to its major customer.

The gross margin improved from last year due to the higher volumes. The overheads increased by 6% and included incentive provisions in Webb Industries for the first time since 2019.

Outlook

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

Several opportunities with regional Tier 2 telecommunications customers that were secured during the last quarter of F2021 have contributed to revenue growth this year. We expect strong growth off this base in F2023.

The outlook for DataVoice has improved following delayed projects materialising in the first quarter of the new financial year.

We are targeting international markets for software applications 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 Technologies is encouraging, with new corporate customers being targeted in the logistics, packaging and medical sectors for the provision of asset monitoring, measurement and management services. Several pilot solutions are expected to result in new orders. We are planning to continue our investment in hardware and software IT platforms in the coming year to diversify the customer base.

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

INTELLIGENT SOLUTIONS

Results overview

	REVENUE	OPERATING PROFIT
2022	R175,5 million **26.3%** of group total	R15,8 million **9.0%** margin
2021	R194,8 million 29.5% of group total	R24,4 million 12.5% margin

A lack of large projects in the contact centres and broadcast lines of business due to continuing economic pressure resulted in lower customer spend. Although the cloud-based contact centre offering gained momentum, the large on-premises base will continue to anchor the business.

A significant broadcast digitisation contract was delayed into the new financial year. The contract with a Namibian telecommunications company for co-location services was extended for a further year.

The gross margin reduced in line with the decrease in volumes. The overheads reduced by 11.4%, as the cost base was further optimised.

Outlook

The outlook for the contact centres is positive, with growing demand for cloud-based contact centres and unified communications due to customers' remote working conditions. We have amended our selling approach to continue to progress from only a technology provider to a business solutions 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 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 revenue of Hi-Sites will grow at the average escalation rates in the lease agreements. Good progress was made in reviewing our existing customer base and identifying new opportunities.

The outlook of the co-locations business is improving, as the contract with its major customer in Namibia was extended by a year.

Power Solutions will be supported by the roll-out of the balance of a new contract over the next 24 months, as well as strong demand for the power assurance and power quality product portfolio.

SECURITY & FIRE SOLUTIONS

Results overview

	REVENUE	OPERATING LOSS
2022	R28,1 million **4.2%** of group total	R26,3 million **–93.5%** operating margin
2021	R44,0 million 6.7% of group total	R7,7 million –17.5% operating margin

The decline in revenue was due to the inability of the business unit's management to execute large fire suppression projects within planned timeframes. The gross margin was negative due to the extended delays following poor project management, additional labour costs and higher material costs. The business very disappointingly delivered a significant operating loss.

Penalty provisions were raised for a large project that was completed during the year and a key security service level/maintenance agreement with a high-margin contribution was awarded to a competitor.

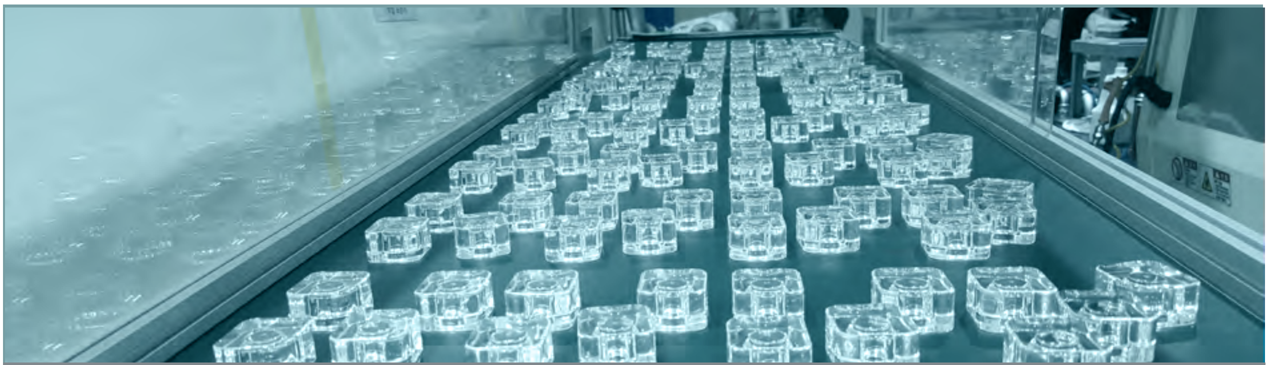
As outlined on page 27, mismanagement by senior business unit management was uncovered, with immediate corrective action taken.

Overheads decreased by 4.1% to R19,0 million following further headcount reductions.

Outlook

The business ended the year with a weak order book and a lack of technical and operational resources.

A restructure of this business commenced on 1 August 2022 and a decision was taken to exit the loss-making fire segment. The electronic security segment will continue and the profitability of all existing customer contracts are under review. Where it is necessary to support key contracts, additional technical resources will be secured.



MANUFACTURING

Results overview

	REVENUE	OPERATING LOSS
2022	R145,8 million **21.8%** of group total	R10,2 million **–7.0%** margin
2021	R200,3 million 30.3% of group total	R8,0 million profit 4.0% margin

The decrease in revenue was due to the loss in production caused by the social unrest in July 2021, the national strike in October 2021 and the three-moth plant-level strike. The strike forced certain large appliance customers to find alternative local plastic moulders to ensure continuity of their production.

Gross margin declined on the loss in volumes of finished components, coupled with the sale of raw materials at cost price to key customers in May and June. This decision was taken after our key large appliances customer commenced stocking raw materials directly to mitigate the risk related to future labour disruptions. Although overheads decreased by 8.5% to R19,1 million, as management continued with strict cost containment measures, this business disappointingly reported its first-ever loss.

Outlook

The sale of raw materials at cost to key customers will continue during the first quarter of the new financial year, as the team permanently unwinds this inventory investment. This will also reduce the warehouse requirements for storage, with future cash savings of R1,8 million per annum.

Additional reductions in inventory holdings are estimated at R5,0 million in the first half of the new financial year.

We focused on securing volumes from existing key customers in the weeks since the strike ended, with a steady increase experienced. As certain customers entered into short-term contracts with smaller plastic moulders, we do not expect lost volumes to return immediately. However, we have experienced some return of key product lines to our production facilities.

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. The sources of supply are also being evaluated due to supply chain shortages of key materials from Asia and the change in procurement strategy by our major customer. The business will continue to focus on extracting efficiencies and electricity savings through a review of the plastic moulding machines.

Social and ethics committee chairman's review

PUMLA RADEBE

Lead independent non-executive director

B-BBEE status

LEVEL 3

AS MANDATED BY ITS CHARTER, TRANSFORMATION REMAINS A PRIORITY, WITH EXECUTIVE DIRECTORS' KEY PERFORMANCE AREAS LINKED TO THE GROUP'S PROGRESS OF TRANSFORMATION TARGETS.

Focus areas

The board approved the committee's updated charter, including its roles and responsibilities, following a comprehensive review this year. An annual work plan was also implemented.

The work plan assists the committee to monitor the group in line with 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. The committee consists of the following three members:

- Pumla Radebe – Independent non-executive director (chairman)
- Shaheen Bawa – Independent non-executive director
- Makwe Ngwato – 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 Sail Sports and Entertainment (Vodacom Sponsorship Marketing).

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.

Performance

The committee's performance was assessed by the nominations committee and the board in June 2022 and found to be effective.

Ethics

In line with King IV requirements, 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. This programme ensures that directors and employees adhere to regulations, laws and ethics requirements. Potential corruption risks stemming from customers, suppliers, business units, subsidiaries and within the employee base are monitored. With the exception of mismanagement in Security & Fire Solutions, there were no material instances of non-compliance reported to the committee during the year under review.

A whistleblowing service was launched in January 2021. Reports can be emailed to **fraud.hotline@jasco.co.za**, which is monitored by the chairman of this committee. Notifications or incidents are reported to the committee and the audit and risk committee. One instance of unethical behaviour was reported and after the appropriate steps were taken, the employee was dismissed.

Activities during the year

LASTING IMPACT OF COVID-19

The committee will keep COVID-19 as an agenda item due to the longer-term economic impact from the pandemic.

The group human resources team continued to support employees and their families 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, the group achieved savings of R191 015. This is equivalent to 182 014 kilometres driven by an average passenger vehicle each year or 3 047 urban trees planted.

TRANSFORMATION

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.

Transformation remains a priority, with executive directors' key performance areas directly linked to the group's progress against its transformation targets. A transformation committee was established last year to 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 achieved 56.98% for black ownership, with 36.32% black women ownership.

Procurement recognition level

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

Skills development

Jasco invested R1,7 million in skills development and achieved the sub-minimum requirement for skills development in its last B-BBEE certification.

Representation by black male and female employees across all levels of the group, including skilled and unskilled employees, are monitored and reported. Jasco retained its Top Employer certification during the year.

Socio-economic development

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

During the year, Jasco continued to support several 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 learners and educators during the year. The investment in technology also assisted the school's safety during periods of unrest and vandalism threats in July 2021.

At Matjiesfontein Primary School, Jasco also supported the school with telecommunications and information and communication technologies.

PROTECTION OF PERSONAL INFORMATION ACT (POPIA) IMPLEMENTATION

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

HEALTH AND SAFETY

The committee reviewed the compliance with 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.

F2023 focus areas

The focus of the committee will be on improving oversight of the group's transformation strategy, maintaining a level 3 B-BBEE status and monitoring the ISO and OHASA accreditation process during the year.

Appreciation

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

PUMLA RADEBE
14 October 2022

Remuneration committee chairman's review

SHAHEEN BAWA

Independent non-executive director

Average salary increase of

3%

JASCO AND ITS EMPLOYEES WERE FACED WITH MANY CHALLENGES DURING THE YEAR. THESE INCLUDED STRAINED ELECTRICITY SUPPLY IN SOUTH AFRICA, THE INCREASE OF FUEL PRICES, RISING INFLATION THAT IMPACTED THE COST OF LIVING AND GLOBAL UNCERTAINTY.

The team supported our employees during ongoing tough market conditions.

Where required, the group reviewed, amended and implemented new policies to assist employees on an ongoing basis.

The team also successfully implemented a hybrid return-to-work and work-from-home model. The human resources team assisted employees to adapt to this change.

Jasco continues to encourage vaccination against COVID-19, but has not implemented a mandatory vaccination policy.

Key focus areas during the year

The remuneration committee met three times during the financial year and received detailed reports from the group's human resources executive on remuneration, people and labour practices, policies and employee matters.

01 IMPACT OF CHALLENGING MARKET CONDITIONS

During the financial year, we continued to review the group's remuneration policies and practices to adapt to the challenging environment. This included a review of remuneration of employees.

After careful consideration, the group implemented average salary increases for employees of 3% in business units where this could be afforded. This was the first time employees received salary adjustments since 2019.

Social unrest in July 2021, the metals industry national strike in October 2021, a three-month strike action at Jasco Manufacturing and the floods in KwaZulu-Natal had a significant impact this year.

Disciplinary action had to be taken during the strike action, with 123 employees dismissed for gross misconduct and/or breach of picketing rules.

02 SHORT- AND LONG-TERM INCENTIVES

Short-term incentive review

We reviewed our short-term incentive scheme and approved a revised scheme and policy, which was approved and recommended to the board for approval. To retain and incentivise management in a challenging business and operating environment, several changes were made. These included:

- updating the maximum limit on short-term incentives
- amending the proportionality to ensure fair and achievable targets
- applying the self-funding principle to short-term incentives

The board approved the new scheme and policy.

Refer to pages 22 and 23 for the key performance areas of the executive management team.

Long-term incentive review

As outlined last year, the remuneration committee reviewed the most appropriate incentives, which included an evaluation of the Jasco Share Incentive Trust Scheme. As this has not met expectations, it was decided to terminate this scheme. The closure of the scheme was postponed this year due to the impact of the severely depressed share price on the last remaining participant.

The group will identify the most appropriate long-term incentive scheme for executives and business unit heads in the coming year.

Voting at AGM

At the previous AGM on 7 February 2022, shareholders voted as follows:

	Votes in favour
Remuneration policy	99.96%
Remuneration implementation	99.96%

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 F2023

- Evaluation of the most appropriate long-term incentive scheme for executives and business unit heads
- Filling of critical vacancies at the senior and middle management level
- Succession planning across business units
- Retaining institutional knowledge and networks of retiring senior/middle management
- Tracking executive team performance against key performance areas
- Rewarding and retaining employees within budgetary constraints

As a remuneration committee, we will continue working with the board and the human resources team to identify the optimal manner in which to continue supporting employees while managing the pressures on our finances.

Appreciation

I extend my appreciation to my fellow remuneration committee members, executive management and the human resources team for their continued support during this year.

SHAHEEN BAWA
14 October 2022

Remuneration review

This review contains three sections.

Section 01:
Background statement

The remuneration committee ("the committee") consists of three non-executive directors:

- 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 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 or, when required, more regularly.

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 02:
Remuneration policies and principles for the shareholders' vote at the AGM on 21 November 2022

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

REMUNERATION COMMITTEE

The 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 strives 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. This has ensured we maintain our Top Employer certification for three consecutive years.

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.

We align the objectives of incentives with our 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.

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 consists of 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 remuneration – 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 • Long service awards	• 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 • 1 to 2 months 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 comprehensive benefit cover to 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 or within a specific industry or sector.

2. Short-term incentives

Short-term incentives depend on the group and business unit'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 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 because the cost of the scheme to the group outweighs the benefits on an after-tax basis. The Share Incentive Trust currently has only one participating member.

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 in 2021 and no new participants were considered for the 2022 financial year, as recommended by the committee. The remuneration committee will review this scheme and make recommendations to the board on the approach for the next financial year.

No retention scheme payments were considered or offered to key employees during the year due to ongoing challenging market and company conditions.

The group will identify the most appropriate long-term incentive scheme in the coming year.

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-month period. 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 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 03:

Application of the remuneration policy

REMUNERATION FOR THE YEAR

1. Guaranteed remuneration, including benefits

After careful review, the group awarded an average increase of 3% during its January remuneration review cycle. This increase was only considered for business units based on financial affordability.

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, individual business units or the group are required to meet certain minimum financial performance criteria. Due to the current economic and market conditions, only one business unit met the minimum criteria and employees were paid short-term incentives relating to the 2021 financial year.

3. Long-term incentives

No further allocations were made in the year and the existing scheme will be wound down in due course pending an improvement in the Jasco share price.

REMUNERATION BREAKDOWN

Executive directors

The table below depicts the remuneration earned by the CEO and CFO during F2022:

	Short-term guaranteed*	Short-term incentive	Total
WA Prinsloo	3 492 216	–	3 492 216
LA Prigge	1 853 892	–	1 853 892

Remuneration includes leave pay.

The table below reflects a summary of the shares issued. Only the current CEO remained a beneficiary.

Issue date	Exercise price	Number of shares issued	Number outstanding
13 June 2016	81 cents	834 881	834 881
2 June 2015	55 cents	3 253 830	1 626 915
5 February 2014	72 cents	750 000	187 500

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 2023 calendar year. A 3% increase is proposed for the new year.

Name	Role	2022 financial year Rand	2022 calendar year Rand	Proposed 2023 calendar year Rand
Dr ATM Mokgokong	Chairman of the board	511 086	518 639	534 198
MJ Madungandaba	Deputy chairman of the board	496 230	503 563	518 670
DH du Plessis	Audit and risk committee chairman	392 434	398 233	410 180
MSC Bawa	Remuneration committee chairman	385 148	390 840	402 565
PF Radebe	Social and ethics committee chairman	385 147	390 840	402 565
TP Zondi	Member of a sub-committee	298 150	302 535	311 611
Dr ND Munisi (appointed 1 July 2022)	Member of a sub-committee	–	151 268	311 611
Total		**2 468 195**	**2 655 917**	**2 891 400**

Ethical leadership and good corporate governance are priorities for Jasco.

MCP Managerial Services, represented by Joel Naidoo, is the independent and outsourced group company secretary. 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
- monitoring 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 and 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. As outlined on page 27, the group unfortunately uncovered gross misconduct and mismanagement by the leadership in Security & Fire Solutions this year. Immediate action was taken.

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 chairman.

One instance of unethical behaviour was reported during the year. An independent investigator was appointed and, based on his findings, disciplinary proceedings were instituted. The employee involved was dismissed.

INTERNAL CONTROL

The group continues to develop and strengthen the internal control environment. This 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, that is 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), three non-executive directors, two executive directors, and one alternate non-executive director.

The skills and expertise of individual members are outlined on page 20 and 21 of this report. The composition of the board ensures that directors lead the organisation and develop an effective 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, 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. Non-executive directors confirm their professional commitments and that they have sufficient time available to fulfil the responsibilities as members of the board in their appointment letters.

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.

In June 2022, the nominations committee considered the independence of long serving non-executive directors, including Mr Bawa. In line with Recommended Practice 29, there were no factors identified that create undue influence and cause bias in the non-executive director's decision-making. It was also considered that Mr Bawa applies objective judgement and there is no relationship with the company, executives or board that will impair his independence. The nominations committee also assessed that the non-executive director's institutional knowledge, entrepreneurial skills and technical sector skills complemented the composition and broader diversity aims of the board.

The group company secretary, nominations committee and board continue to assess the independence of independent directors annually.

BOARD EVALUATION

Jasco undertakes an annual board evaluation. In addition, the remuneration committee facilitates the evaluation of executive management.

An independent board evaluation and one-on-one interviews with the committee chairmen were conducted between February and September 2022.

Recommendations from this process included strengthening the skills diversity of the board. This will be addressed.

Following the subsequent review of the sub-committee charters, detailed committee recommendations were developed. Areas for improvement include evaluating the requirement for additional meetings to achieve the workplan. Responses to the customised questionnaires were analysed for further discussion with individual board members.

APPOINTMENTS TO THE BOARD

On 1 July 2022, Dr Nkateko Munisi was appointed to the board as a representative of Golden Pond, an associated company of Jasco's main shareholder, Community Investment Holdings. This follows the investment of R25 million by Golden Pond in the group's rights issue.

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.

RETIREMENT AND RE-ELECTION OF DIRECTORS

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, Pumla Radebe and Thandeka Zondi 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 pages 20 and 21.

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 47.

RISK MANAGEMENT

The board recognises the importance of risk management. A dynamic risk and opportunity register that outlines a detailed mitigation process is presented quarterly to the audit and risk committee and the board. 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 estimated values allocated to each risk. 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 pages 18 and 19 for the material issues and risks.

Management continued to develop its enterprise risk management framework and policy, with identified shortcomings to be addressed in the new financial year.

The audit and risk committee assists the board to execute its responsibilities. The group's annual internal audit plan incorporates 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 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. Seven meetings were held during the year.

An agenda and supporting documents are distributed to 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 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. The nominations committee confirms that these members 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 pages 20 and 21.

Meetings are held at least quarterly. Seven 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, the head of 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 37.

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, whistleblowing, anti-corruption and procurement)
- broad-based black economic empowerment and employment equity
- socio-economic development
- environmental impact

Refer to page 37 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.

The committee met three times 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 pages 40 and 41 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 by invitation. The committee meets according to its annual work plan and met twice during the year. The company secretary is in attendance at all meetings.

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 investment decisions. The committee comprises two non-executive, three independent non-executive and two executive directors.

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

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

- each project meets the strategic, technical and investment requirements of the company, which includes identifying and managing project-related risks
- project parameters, safety, health and environmental impacts and governance processes are followed and addressed prior to committing funds
- 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 and did not meet during the year.

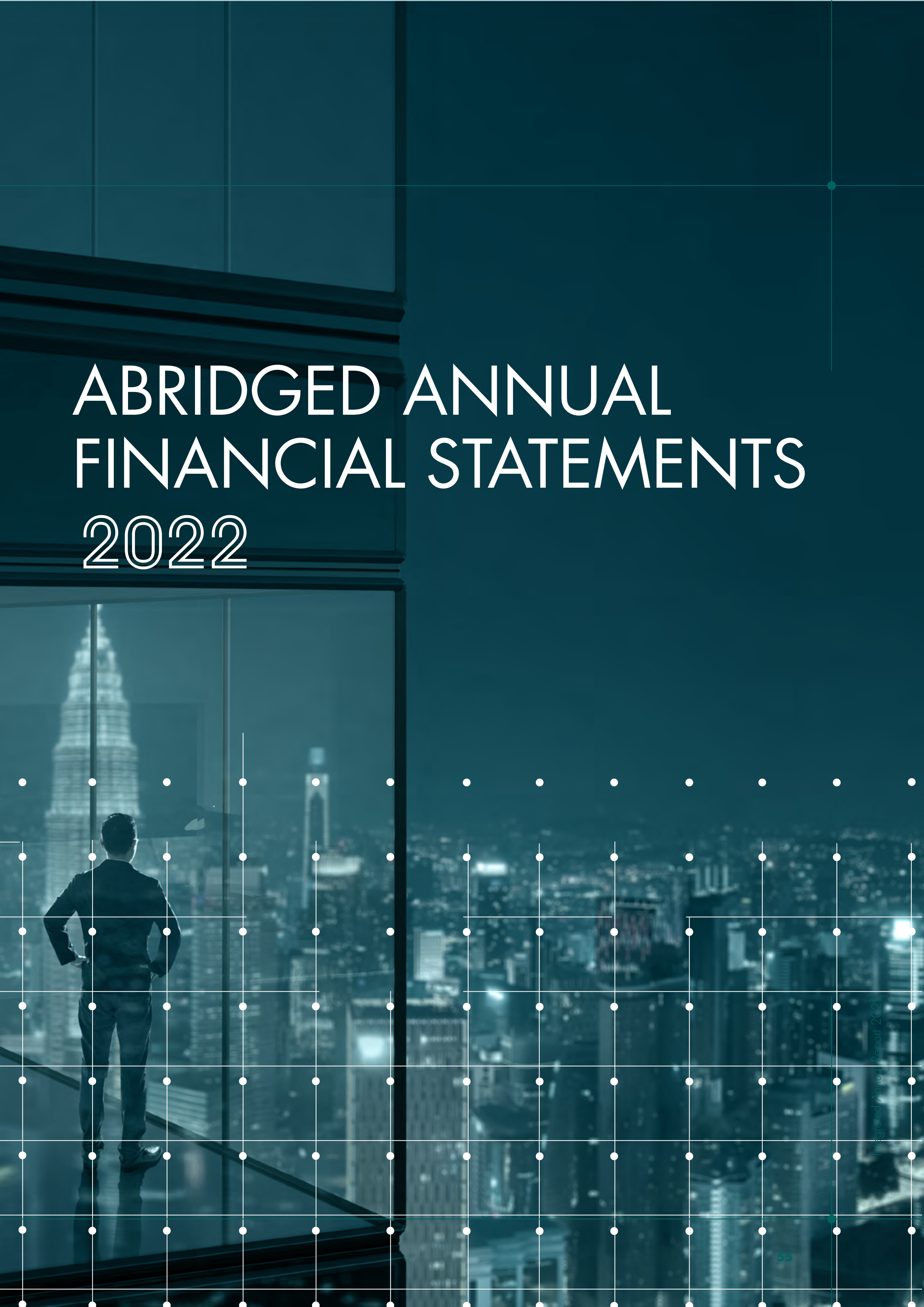
INDEPENDENT BOARD

An independent board, comprising the executive directors and the independent non-executive directors, and chaired by the lead independent director, met during the second half of the financial year to assess the new lease agreement for the Midrand head office following the acquisition of the property by CIH Projects No 55 (Pty) Ltd, an associated company of Jaco's largest shareholder, Community Investment Holdings (Pty) Ltd. Shareholders are referred to the General Meeting results of 15 September 2022 and the related circular to shareholders.

F2022 BOARD MEETING ATTENDANCE:

Directors	Board*	Audit & risk	Social & ethics	Remuneration	Nominations
Meetings held	7	7	4	3	2
Non-executive directors:					
Dr ATM Mokgokong	7	N/A	N/A	N/A	2
MJ Madungandaba	7	N/A	N/A	3	2
PF Radebe	7	7	4	3	N/A
TP Zondi	7	7	N/A	N/A	N/A
MSC Bawa	7	N/A	3	3	2
DH Du Plessis	7	7	N/A	N/A	N/A
Alternate director					
AMF Da Silva	7	N/A	N/A	N/A	1
Executive directors:					
WA Prinsloo	7	7[&]	4[&]	3[&]	1[&]
LA Prigge	7	7[&]	4[&]	3[&]	N/A

**Includes F2023 budget reviews and annual strategy planning*
[&]Attend by invitation



ABRIDGED ANNUAL FINANCIAL STATEMENTS 2022

Statements of comprehensive income

	Group		Company	
	2022 R'000	Restated* 2021 R'000	**2022 R'000**	2021 R'000
Continuing operations				
Revenue	**662 340**	654 921	**32 353**	32 117
Cost of sales	**(488 534)**	(451 750)	**–**	–
Gross profit	**173 806**	203 171	**32 353**	32 117
Other income	**28 236**	8 729	**29**	33 538
Selling and distribution costs	**(1 107)**	(1 692)	**–**	–
Administrative expenses	**(145 500)**	(141 611)	**(8 331)**	(8 705)
Other expenses	**(50 977)**	(62 985)	**(10 959)**	(408)
Expected credit loss	**(1 283)**	(312)	**(811)**	–
Operating profit	**3 175**	5 300	**12 281**	56 542
Finance income	**963**	1 189	**65**	35
Finance costs	**(17 498)**	(25 149)	**(10 834)**	(15 104)
(Loss)/profit before taxation	**(13 360)**	(18 660)	**1 512**	41 473
Taxation	**(3 908)**	(4 671)	**7**	–
(Loss)/profit from continuing operations	**(17 268)**	(23 331)	**1 519**	41 473
Profit from discontinued operations	**1 338**	32 423	**–**	–
(Loss)/profit for the year	**(15 930)**	9 092	**1 519**	41 473
Other comprehensive income	**–**	–	**–**	–
Total comprehensive (loss)/income for the year	**(15 930)**	9 092	**1 519**	41 473
(Loss)/profit and total comprehensive (loss)/income for the year attributable to:				
– non-controlling interests	**380**	2 623	**–**	–
– ordinary shareholders of the parent	**(16 310)**	6 469	**1 519**	41 473
	(15 930)	9 092	**1 519**	41 473
(Loss)/profit and total comprehensive (loss)/income for the year attributable to:				
Equity holders of the company	**(16 310)**	6 469	**1 519**	41 473
– (Loss)/profit for the year from continuing operations	**(17 648)**	(23 367)	**1 519**	41 473
– Profit for the year from discontinued operations	**1 338**	29 836	**–**	–
Non-controlling interest:	**380**	2 623	**–**	–
– Profit for the year from continuing operations	**380**	36	**–**	–
– Profit for the year from discontinued operations	**–**	2 587	**–**	–
Earnings and diluted earnings per ordinary share (cents):				
– From continuing operations	**(6,4)**	(10,4)		
– From discontinued operations	**0,5**	13,3		
	(5,9)	2,9		

* *Restated for discontinued operations*

Statements of financial position

	Group		Company	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Assets				
Non-current assets	**123 963**	179 578	**95 105**	85 356
Plant and equipment	**30 179**	38 567	**–**	–
Right-of-use assets	**19 625**	52 199	**–**	–
Intangible assets	**57 023**	67 910	**–**	–
Investment in subsidiaries	**–**	–	**92 282**	82 268
Deferred income tax	**15 771**	18 256	**–**	–
Non-current assets recognised for costs incurred to fulfil contracts	**–**	9	**–**	–
Other non-current assets	**1 365**	2 637	**2 823**	3 088
Current assets	**239 131**	248 296	**121 582**	125 603
Inventories	**74 152**	87 482	**–**	–
Contract assets	**1 039**	1 574	**–**	–
Trade and other receivables	**121 192**	118 797	**612**	137
Amounts owing by group companies	**–**	–	**120 780**	125 173
Taxation refundable	**11 049**	12 790	**–**	–
Short-term portion of other non-current assets	**1 838**	6 689	**–**	–
Cash and cash equivalents	**29 861**	20 964	**190**	293
Total assets	**363 094**	427 874	**216 687**	210 959
Equity and liabilities				
Shareholders' equity	**72 925**	41 607	**95 063**	46 296
Share capital	**328 531**	281 283	**328 531**	281 283
Treasury shares	**(3 083)**	(3 083)	**–**	–
Non-distributable reserves	**4 397**	4 397	**–**	–
Retained loss	**(268 486)**	(252 176)	**(233 468)**	(234 987)
Equity attributable to equity holders of the parent	**61 359**	30 421	**95 063**	46 296
Non-controlling interests	**11 566**	11 186	**–**	–
Non-current liabilities	**119 824**	59 903	**98 869**	7
Interest-bearing liabilities	**98 900**	205	**98 869**	–
Lease liabilities	**17 503**	58 501	**–**	–
Contract liabilities	**2 115**	14	**–**	–
Deferred income tax	**1 306**	1 183	**–**	7
Current liabilities	**170 345**	326 364	**22 755**	164 656
Trade and other payables	**100 631**	98 211	**3 657**	3 499
Provisions	**3 585**	1 372	**–**	–
Amounts owing to group companies	**–**	–	**9 498**	9 922
Taxation	**590**	4 256	**–**	–
Contract liabilities	**41 171**	50 043	**–**	–
Short-term borrowings	**17 161**	153 419	**9 600**	151 235
Lease liabilities	**7 207**	19 063	**–**	–
Total equity and liabilities	**363 094**	427 874	**216 687**	210 959

Statements of changes in equity

	Share capital R'000	Treasury shares R'000	Non-distri-butable reserves R'000	Retained loss R'000	Total parent share holders' equity R'000	Non-con-trolling interest R'000	Total equity R'000
Group							
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 (including transactions with non-controlling interests)	–	–	(451)	(1 490)	(1 941)	1 941	–
Total comprehensive income	–	–	–	6 469	6 469	2 623	9 092
Balance as at 30 June 2021	281 283	(3 083)	4 397	(252 176)	30 421	11 186	41 607
Rights issue	**47 248**	**–**	**–**	**–**	**47 248**	**–**	**47 248**
Total comprehensive (loss)/income	**–**	**–**	**–**	**(16 310)**	**(16 310)**	**380**	**(15 930)**
Balance as at 30 June 2022	**328 531**	**(3 083)**	**4 397**	**(268 486)**	**61 359**	**11 566**	**72 925**
Company							
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
Balance as at 30 June 2021	281 283	–	–	(234 987)	46 296	–	46 296
Rights issue	**47 248**	**–**	**–**	**–**	**47 248**	**–**	**47 248**
Total comprehensive income	**–**	**–**	**–**	**1 519**	**1 519**	**–**	**1 519**
Balance as at 30 June 2022	**328 531**	**–**	**–**	**(233 468)**	**95 063**	**–**	**95 063**

Statements of cash flows

	Group		Company	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Cash flows from operating activities	**16 502**	(13 273)	**(13 421)**	(21 171)
Cash receipts from customers	**692 154**	668 893	**2 875**	4 724
Cash paid to suppliers and employees	**(655 469)**	(650 034)	**(5 330)**	(15 150)
Cash generated from operations	**36 685**	18 859	**(2 455)**	(10 426)
Interest received	**836**	1 337	**65**	35
Interest paid	**(17 824)**	(25 900)	**(11 031)**	(14 313)
Taxation (paid)/refunded	**(3 195)**	(7 569)	**–**	300
Dividend received	**–**	–	**–**	3 233
Cash flows from investing activities	**5 420**	73 268	**8 639**	35 425
Purchase of plant and equipment	**(1 303)**	(4 603)	**–**	–
Proceeds on disposal of plant and equipment	**237**	1 135	**–**	–
Additions to right-of-use assets	**–**	5	**–**	–
Additions to intangibles	**(16)**	(19)	**–**	–
Disposal of subsidiary, net of cash disposed of	**(86)**	70 467	**–**	72 857
Acquisition of business operation	**–**	(250)	**–**	–
Dividend received from associate	**–**	3 233	**–**	–
Repayments/(advances) in loan amounts owing by group company	**–**	–	**8 639**	(37 432)
Receipts from other non-current assets	**6 588**	3 300	**–**	–
Cash flows from financing activities	**(12 911)**	(57 628)	**4 679**	(14 058)
Non-current loans repaid	**(3 318)**	(43 255)	**(2 569)**	(40 481)
Cash proceeds from rights issue	**7 248**	–	**7 248**	–
Leases – principal payments	**(16 841)**	(14 373)	**–**	–
Increase in loan amounts owing to group companies	**–**	–	**–**	26 423
Net increase/(decrease) in cash and cash equivalents	**9 011**	2 367	**(103)**	196
Cash and cash equivalents at beginning of year	**20 372**	17 794	**293**	97
Revaluation of foreign cash balances	**–**	211	**–**	–
Net cash and cash equivalents at end of year	**29 383**	20 372	**190**	293
Cash and cash equivalents	**29 861**	20 964	**190**	293
Bank overdrafts	**(478)**	(592)	**–**	–
Net cash and cash equivalents at end of year	**29 383**	20 372	**190**	293

Segmental report

Introduction

For management purposes, the group is organised into business units based on their products and services. The group's executive committee, who are the Group's chief operating decision-makers (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, Communication Solutions, Security & Fire Solutions and Manufacturing. Intelligent Solutions and Communication Solutions form part of ICT segment however the CODM looks at them separately.

	Income and expenses			
	Revenue			
	Revenue R'000	Inter-segment R'000	Segmental revenue R'000	Net forex profit/(loss) and other income* R'000
2022				
Communication Solutions	**318 840**	**(228)**	**318 612**	**4 022**
Intelligent Solutions	**175 539**	**(261)**	**175 278**	**10 050**
Security & Fire Solutions	**28 096**	**–**	**28 096**	**2**
Manufacturing	**145 790**	**–**	**145 790**	**(615)**
Sub-total continuing operating divisions	**668 265**	**(489)**	**667 776**	**13 459**
Discontinued operations	**3 267**	**–**	**3 267**	**–**
Other non-operating divisions	**32 352**	**–**	**32 352**	**44 118**
Adjustments@	**(38 279)**	**489**	**(37 790)**	**(36 539)**
Total	**665 605**	**–**	**665 605**	**21 038**
2021				
Communication Solutions	221 652	(3 541)	218 111	2 932
Intelligent Solutions	194 836	(49)	194 787	3 670
Security & Fire Solutions	44 034	–	44 034	276
Manufacturing	200 307	–	200 307	605
Sub-total continuing operating divisions	660 829	(3 590)	657 239	7 483
Discontinued operations	88 964	(501)	88 463	9 172
Other non-operating divisions	32 117	–	32 117	33 451
Adjustments@	(39 184)	4 091	(35 093)	(23 810)
Total	742 726	–	742 726	26 296

Segmental revenue reflects both sales to external parties and inter-group transactions across segments.

† *Segmental revenue and operating profit of the operating divisions includes the interest received and paid relating to the finance lease receivables, but excludes all other interest paid or received and is stated before making adjustment for inter-group administration fees.*

* *Made up of other income and foreign exchange losses.*

Made up of operating expenses excluding foreign exchange losses and depreciation and amortisation.

@ *Relates to elimination of inter-group transactions.*

Taxation is not split per segment as tax is calculated at an entity level and not per operating segment.

Communication Solutions

The Communication Solutions business unit delivers telecommunications products and services across the value chain, from design and planning of networks to configuration, integration and support. As a system integrator and distributor, our proven solutions focus on access, transmission and operational support systems for telecommunications networks across the African continent.

Income and expenses					Financial position		
Administrative and other expenses# R'000	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
(80 405)	**(10 249)**	**35 391**	**236**	**(830)**	**107 139**	**32 476**	**652**
(50 053)	**(1 471)**	**15 825**	**490**	**(121)**	**59 018**	**47 682**	**270**
(14 343)	**(184)**	**(26 281)**	**–**	**(636)**	**10 602**	**14 633**	**13**
(22 885)	**(10 339)**	**(10 245)**	**6**	**(2 677)**	**78 570**	**40 279**	**303**
(167 686)	**(22 243)**	**14 690**	**732**	**(4 264)**	**255 329**	**135 070**	**1 238**
(1 167)	**(802)**	**(52)**	**–**	**(138)**	**–**	**–**	**–**
(44 651)	**(7 118)**	**(6 779)**	**982**	**(13 985)**	**101 496**	**123 343**	**80**
(13 788)	**(3 155)**	**(3 150)**	**(751)**	**751**	**6 268**	**31 758**	**–**
(227 292)	**(33 318)**	**4 709**	**963**	**(17 636)**	**363 093**	**290 169**	**1 318**
(71 410)	(8 414)	8 427	209	(910)	106 013	35 205	416
(49 875)	(2 231)	24 361	808	(401)	60 894	51 913	125
(20 139)	(196)	(7 688)	–	(257)	19 082	11 147	8
(30 488)	(10 954)	7 984	8	(3 179)	101 116	48 003	628
(171 912)	(21 795)	33 084	1 025	(4 747)	287 105	146 268	1 177
(23 329)	(3 010)	15 886	401	(445)	9 523	4 003	3 350
(43 640)	(10 224)	(23 469)	163	(21 029)	117 296	209 591	130
33 204	(4 821)	(1 933)	–	–	13 950	26 405	(35)
(205 677)	(39 850)	23 568	1 589	(26 221)	427 874	386 267	4 622

Intelligent Solutions

The Intelligent Solutions business unit delivers end-to-end solutions, including contact centres, unified communication, IT infrastructure and broadcast solutions to corporates in Southern Africa.

Security & Fire Solutions

The Security & Fire Solutions business delivers CCTV and surveillance, alarm and perimeter monitoring, fire detection and fire suppression solutions to corporates throughout South Africa.

Manufacturing

The Manufacturing business unit is a component manufacturer of plastic products, wire harnesses and metal pressings, with a special focus on the large and small home appliances market in South Africa.

With the exception of one customer in Manufacturing, which contributed R99,5 million (2021: R131,4 million) and operates in the domestic household appliances industry, no customer contributed more than 10% to the group revenue.

Notice of the annual general meeting

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 35th annual general meeting of shareholders for the year ended 30 June 2022 will be held entirely over Google Meet video conference on Monday, 21 November 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, to:

- present the directors' report, the annual financial statements and the audit and risk committee report of the company for the year ended 30 June 2022 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 2022 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, 11 November 2022 in terms of section 62(3)(a), read with section 59 of the Companies Act; and
- transact such other business as may be transacted at an annual general meeting.

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, 14 October 2022; and
- attend, participate in and vote at the annual general meeting (the voting record date) on Friday, 11 November 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 2022, 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 2022 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. Ordinary resolution number 1: Election of Dr ND Munisi as a director of the company.

"RESOLVED that Dr ND Munisi, who was appointed as a director of the company on 1 July 2022, be and is hereby elected as a director of the company with effect from 21 November 2022."

The director's CV appears on page 21.

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.

Ordinary resolution 2 and 3: To re-elect Ms PF Radebe and Ms TP Zondi as directors of the company.

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.

2. Ordinary resolution number 2: Re-election of Ms PF Radebe as a director

"RESOLVED that Ms PF Radebe, 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 21 November 2022."

The director's CV appears on page 20.

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 3: Re-election of Ms TP Zondi as a director

"RESOLVED that Ms TP Zondi, 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 21 November 2022."

The director's CV appears on pages 20 and 21.

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 4: Re-election of Mr DH Du Plessis CA(SA) as a member and the chairman of the audit and risk committee

"It is hereby resolved that Mr DH Du Plessis be and is hereby re-elected as a member and the chairman of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act."

The director's CV appears on page 20.

For this ordinary resolution to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

5. Ordinary resolution number 5: Re-election of Ms PF Radebe as a member of the audit and risk committee

"It is hereby resolved that Ms PF Radebe be and is hereby elected as a member of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act."

The director's CV appears on page 20.

For this ordinary resolution to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

6. Ordinary resolution number 6: Re-election of Ms TP Zondi CA(SA) as a member of the audit and risk committee

"It is hereby resolved that Ms TP Zondi be and is hereby elected as a member of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act."

The director's CV appears on pages 20 and 21.

In order for this ordinary resolution number 6 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

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.

7. Ordinary resolution number 7: Re-appointment of independent external auditors

The group audit and risk committee has assessed Mazars' and Mr Miles Fisher'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 re-appointment.

"RESOLVED that Mazars, with the designated audit partner being Mr M Fisher, be and is hereby re-appointed 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.

8. Ordinary resolutions numbers 8.1 and 8.2: Non-binding advisory vote of the remuneration policy and remuneration implementation report

In terms of section 3.84(k) of the JSE Listings Requirements and in accordance with the principles of King IV, the remuneration policy and implementation report must be tabled every year for separate non-binding advisory votes. These votes enable shareholders to endorse the remuneration policy adopted for executive directors and its implementation. The advisory vote is of a non-binding nature only and therefore failure to pass this resolution will not have any legal consequences for existing arrangements. The board will, however, take cognisance of the outcome of the vote when considering the company's remuneration policy and remuneration of executive directors.

The remuneration report further records the measures the board commits to take in the event that either the remuneration policy or implementation report, or both, are voted against by 25% or more of the votes exercised.

The company's remuneration policy and the implementation report are further detailed in the 2022 integrated annual report.

8.1 Approval of the remuneration policy

"It is hereby resolved that the remuneration policy be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements."

8.2 Approval of the remuneration implementation report

"It is hereby resolved that the remuneration implementation report be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements."

For non-binding resolutions numbers 8.1 and 8.2 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

9. Ordinary resolution number 9: 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 110 049 692 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 9 or pursuant to ordinary resolution 10.

"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 110 049 692 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 110 049 692 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 9 or pursuant to ordinary resolution 10;

(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.

10. Ordinary resolution number 10: 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 110 049 629 shares or options (which represents up to 29.95% (twenty nine point nine five percent) 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;
- 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; and

- the allotment and issue of securities for cash shall be made only to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements, subject to related parties being able to participate in a general issue of securities for cash through a bookbuild process where the related parties will participate at a maximum bid price at which they are prepared to take-up securities or at the book close price. In the event of a maximum bid price and the book closing at a higher price, the relevant related party will be "out of the book" and not be allocated securities.

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 aggregate exceed 29.95% (twenty nine point nine 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 10 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 29.95% (110 049 629 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.

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

To approve the remuneration of non-executive directors for the period 1 January 2023 until 31 December 2023.

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 2023 until 31 December 2023 be and is hereby set out as follows:

	2022 Current Rand	2023 Proposed Rand
Chairman of the board	**518 639**	534 198
Deputy chairman of the board	**503 563**	518 670
Audit and risk committee chairman	**398 233**	410 180
Social and ethics committee chairman	**390 840**	402 565
Remuneration committee chairman	**390 840**	402 565
Member of a sub-committee	**302 535**	311 611
Member of the board	**212 623**	219 002

A 3% fee increase has been proposed.

For this special resolution 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. 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; and

(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 special 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.

13. 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 if 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 another 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."

For this special resolution 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.

14. Ordinary resolution number 11: Authorise directors and/or company secretary

"RESOLVED that any one director and/or the group company secretary of the company 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.

Litigation statement

Other than disclosed or accounted for in the annual financial statements, the directors of the company, whose names appear on the inside front cover 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, Thursday, 17 November 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 continued 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 (Pty) Ltd
Group company secretary

Midrand
14 October 2022

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 video conference on Monday, 21 November 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
Ordinary resolution number 1: To elect Dr ND Munisi as a non-executive director of the company				
Ordinary resolution number 2: To re-elect Ms PF Radebe who retires by rotation and is eligible and available for re-election				
Ordinary resolution number 3: To re-elect Ms TP Zondi who retires by rotation and is eligible and available for re-election				
Ordinary resolution number 4: To re-elect Mr DH Du Plessis CA(SA) as a member and chairman of the group audit and risk committee				
Ordinary resolution number 5: To re-elect Ms PF Radebe as a member of the group audit and risk committee				
Ordinary resolution number 6: To re-elect Ms TP Zondi as a member of the group audit and risk committee				
Ordinary resolution number 7: 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				
Ordinary resolution 8: 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				
Non-binding advisory vote 8.1: To approve the company's remuneration policy				
Non-binding advisory vote 8.2: To approve the company's remuneration implementation report				
Ordinary resolution number 9: To place the authorised but unissued shares under the directors' control				
Ordinary resolution number 10: General authority to issue shares, and to sell treasury shares for cash				
Special resolution 1: To approve the remuneration to be paid to the non-executive directors for the period 1 January 2023 until 31 December 2023				
Special resolution 2: To provide general authority to acquire ("repurchase") shares				
Special resolution 3: To authorise financial assistance to related and inter-related companies				
Ordinary resolution number 11: To authorise directors and/or the company secretary to implement the resolutions set out in the notice convening the annual general meeting				

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 ______________________ 2022

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.

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) Ltd, 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, 17 November 2022, being no later than 48 (forty-eight) hours before the annual general meeting to be held at 14:00 on Monday, 21 November 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 form of 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) Ltd.
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 electronic participation at the AGM.

Notes

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